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DEPARTMENT OF TRADE AND COMMERCE
ECONOMIC RESEARCH AND DEVELOPMENT BRANCH

EMPLOYMENT AND INCOME IN CANADA
OUTLOOK FOR 1949

FIRST REPORT

FEBRUARY, 1949

OTTAWA, CANADA.

DEPARTMENT OF TRADE AND COMMERCE
ECONOMIC RESEARCH AND DEVELOPMENT BRANCH

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FOREWORD

With the transfer of the Economic Research Branch from the Department of Reconstruction and Supply to the Department of Trade and Commerce, this Branch continues with the preparation of reports on the economic outlook for use by the Cabinet and senior administrative officers of the Federal service.

This report, the first comprehensive document for 1949, expands and supplements an earlier preliminary document circulated for technical comment (December 28, 1948) and made available to the Cabinet Committee on Economic and Industrial Development (January 13, 1949). The purpose of this report is to appraise the impact of economic trends observable at the beginning of the year on levels of employment and income and prices during the year. The report consists of four parts. Part I contains the summary and a set of national economic statistics in tabular form. Part II deals with the national outlook for employment and income. Part III includes the industrial outlook and Part IV the regional outlook.

Alex Skelton,
Assistant Deputy Minister

Ottawa,
February, 1949

REPORT

With the transfer of the Bureau of Census from the Department of Commerce to the Department of Health and Human Services, the Bureau of Census has been reorganized and its functions have been expanded. The Bureau of Census is now a part of the Department of Health and Human Services and is responsible for the collection, analysis, and dissemination of statistical information on the Nation's population, health, and economic conditions.

This report, the first comprehensive report since the 1970 census, is a summary of the Bureau of Census's activities during the past year. It is divided into four main sections: (1) a summary of the Bureau's activities during the past year; (2) a summary of the Bureau's activities during the past year; (3) a summary of the Bureau's activities during the past year; and (4) a summary of the Bureau's activities during the past year. The report is intended to provide a comprehensive overview of the Bureau's activities and to provide a basis for the development of future plans and programs.

Very truly yours,
Director

Enclosure
10/1/71

CONTENTS

	Page
Part I - Summary and National Economic Statistics	3
Part II - National Outlook for Employment and Income, Canada 1949.	17
Part III - Industrial Outlook, Canada, 1949	38
Part IV - Regional Outlook, Canada, 1949	51
Maritimes	51
Quebec	55
Ontario	59
Prairies	64
British Columbia	68

LIST OF TABLES

Table I - Gross National Product and Gross National Expenditure, 1948 and 1949	9
Table II - Value of Principal Canadian Exports, 1948 and 1949 ..	10
Table III - Value of Principal Imports for Consumption, 1948 and 1949.....	11
Table IV - Net Balance on International Current Account, 1948 and 1949	12
Table V - Value of Private Investment in Durable Physical Assets and in Inventories, 1948 and 1949	13
Table VI - Government Expenditure on Goods and Services, 1948 and 1949	14
Table VII - Personal Expenditure on Consumer Goods and Services, 1948 and 1949.....	15
Table VIII - Employment, Unemployment and the Labour Force, 1948 and 1949	16
Table IX - Percentage Distribution of the Employed Labour Force for Canada and the Provinces, 1948.....	73

PART I

SUMMARY AND NATIONAL ECONOMIC STATISTICS

As we enter 1949 the more active phase of post-war inflation on the North American Continent appears to have run its course. Prices are still moving upward in some sectors, partly because of the customary lag in service groups. However, conditions of ample supply are becoming more prevalent and areas of acute shortage no longer predominate. The more urgent demand backlogs for both consumer and capital goods have been met. Inventories now appear fairly well in line with the higher level and altered pattern of peace-time requirements. Good crops in 1948 have already brought a downward adjustment in food costs and thereby have removed one important inflationary influence. Meanwhile, the growth of the labour force coupled with the expansion and improvement of capital facilities continues to add to the productive potential of the economy.

While the more even balance between supply and demand on this continent has checked the upward movement of the general price level, it is evident that there are still strong sustaining forces present. With the downward adjustment in food costs, more consumers' funds are available for the purchase of other goods. At the same time price supports give stability to farm incomes. Requirements of capital goods, though moderating, remain large. In fact, rising capital outlays by governments and by certain utility and service groups will tend to offset anticipated declines in some other sectors. So long as financial aid to Europe and elsewhere remains substantial, a large export surplus will continue to act as an important stimulant to production. More recently a new sustaining element has entered the picture in the form of the Military Preparedness Programme. Present plans provide for a rising tempo of defence spending during 1949 and subsequent years. This programme, coupled with the likelihood of falling government surpluses, should tend to offset deflationary influences arising elsewhere. In the circumstances it would seem reasonable to expect a high level of activity in 1949, with some diverging trends in particular prices but no significant change in the general price level. Crops could, of course, have an important influence on the trend of prices toward the end of the year.

Gross National Product in Canada - (excluding Newfoundland) - In Canada, the transition toward more balanced markets has tended to lag behind that in the United States. Various factors have contributed to this condition.

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In relative terms, Canada's capital expansion programme has been larger and of longer duration. The more gradual relaxation of controls has served to hold Canadian prices below world levels and at the same time has prolonged the unbalance between demand and supply. Related to control policy, the post-war upward trend of farm income has been more gradual in Canada in the early stages, but recently more pronounced. Between 1947 and 1948 net farm income rose about 40% in Canada. More recently the dollar conservation programme, which, in effect, involved an increase in the export surplus, has added to the preponderance of inflationary influences. The greater buoyancy in the Canadian economy is illustrated by the fact that Canadian Gross National Product at market prices increased by 15 per cent between 1947 and 1948, compared with an increase of 10 per cent in the United States.

In these circumstances, the area of greatest vulnerability for the Canadian economy is the foreign market. But with the likelihood of continuing prosperity in the United States this sector of demand should also be fairly well sustained. Consequently, business activity in Canada should remain at a high level during the coming year. Gross National Product at market prices can be expected to exceed the \$15.4 billion figure realized in 1948 by something like 6 to 8 per cent and to achieve a level in the general neighbourhood of \$16.4 billion. A little more than one-half of the anticipated increase in the value of national production represents higher prices and the remainder an improvement in physical output. Assuming average crops and no prolonged industrial unrest, the higher volume of output in 1949 could accrue from improved productivity and from the new increments to the labour force and to capital stocks. Barring serious strikes, which do not appear likely, shortages will be less of a deterrent in 1949. Nevertheless, in spite of improving supplies, availability of steel and to a lesser extent, power, will continue to limit production in some industries.

The Export Market - It is now practically assured that E.R.P. aid will continue throughout 1949 at a roughly unchanged rate. It is also apparent, however, that the proportion of total aid procured in Canada will be less than in the previous year. In aggregate Canadian overseas exports this year may fall a little below 1948 shipments. On the other hand, the American market can be expected to absorb a slightly larger volume of goods from Canada, particularly in view of the strong demand that persists for major Canadian export items, such as metals and newsprint. With larger supplies of some commodities likely to be available in 1949, exports to all countries may remain close to the level of the previous year in physical terms. It

The first part of the paper discusses the importance of maintaining accurate records of all transactions. It is essential for the business to have a clear and concise record of all income and expenses. This will help in the preparation of the tax return and in the event of an audit. The second part of the paper discusses the importance of keeping up to date with the latest tax laws and regulations. It is important to consult with a tax professional to ensure that the business is in compliance with all applicable laws. The third part of the paper discusses the importance of maintaining proper documentation for all transactions. This includes keeping receipts, invoices, and other documents that support the business's financial records. The fourth part of the paper discusses the importance of having a clear and concise record of all transactions. This will help in the preparation of the tax return and in the event of an audit. The fifth part of the paper discusses the importance of keeping up to date with the latest tax laws and regulations. It is important to consult with a tax professional to ensure that the business is in compliance with all applicable laws. The sixth part of the paper discusses the importance of maintaining proper documentation for all transactions. This includes keeping receipts, invoices, and other documents that support the business's financial records. The seventh part of the paper discusses the importance of having a clear and concise record of all transactions. This will help in the preparation of the tax return and in the event of an audit. The eighth part of the paper discusses the importance of keeping up to date with the latest tax laws and regulations. It is important to consult with a tax professional to ensure that the business is in compliance with all applicable laws. The ninth part of the paper discusses the importance of maintaining proper documentation for all transactions. This includes keeping receipts, invoices, and other documents that support the business's financial records. The tenth part of the paper discusses the importance of having a clear and concise record of all transactions. This will help in the preparation of the tax return and in the event of an audit.

is not expected that the prices obtainable for Canadian products in the world market will show any perceptible change from levels now prevailing. In view of the large exportable surpluses that Canada must sell abroad the tendency to more stable world prices is bound to exert an important restraining influence on further price rises in Canada.

Imports and the Foreign Balance - Assuming some further relaxation of import restrictions during the year, the volume of imports would remain about the same, even though the value would be somewhat higher than in 1948. This would leave a somewhat smaller commodity balance than was realized in 1948. On non-merchandise items the increase in payments abroad is also likely to exceed the growth of receipts from abroad. As a result the Current International Balance may be of the order of \$350 million in 1949, compared with \$472 million in 1948. This decline could be averted to the extent that foreign orders for military equipment are placed with Canadian firms for delivery within the year. In the absence of large capital outflows, a lower foreign balance would permit a continuing improvement in Canada's dollar reserves and would have a sustaining, rather than inflationary, influence. Nevertheless, the dollar conservation programme in its long term aspects would continue to provide a continued impetus to the development of Canadian industry.

Private Domestic Investment - The year-end survey of investment intentions indicates that outlays for capital goods in the non-government sector of the economy will reach \$2,700 million in 1949. This represents about a 6 per cent increase over actual expenditures in 1948. In volume terms, roughly the same level of investment would be involved. However, a change in the composition of the 1949 programme is indicated, both with respect to type of expenditure and industrial grouping. The physical volume of new construction is expected to be somewhat higher and purchases of machinery and equipment lower in physical terms. Capital expenditures will be greater for institutions, utilities, housing and agriculture, roughly unchanged for mining and commercial undertakings, and lower for manufacturing, logging and the construction industry. Owing partly to the greater importance of construction and partly to the growth of investment goods industries in Canada, the domestic content of the programme should be greater than in the previous year.

Although inventories are now adequate in many lines, influences that may contribute to a further accumulation of physical inventories in 1949 include the further relaxation of shortages, continued plant expansion, the

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defence programme, the building up of certain surplus commodities and the depleted level of farm stocks. *But see Table I*

Government Requirements - Although budgetary plans are still in a formative stage, government requirements of goods and services during 1949 are expected to increase as a result of larger outlays for defence and also for capital projects. The provision of other services will probably be little changed but dollar outlays will reflect the upward movement of costs between the two years.

Consumer Demand - Although farm incomes are expected to recede a little from the high levels of last year, in aggregate consumer income will be appreciably higher. This will mean a genuine improvement in purchasing power, since consumer prices are not expected to move much beyond the high point reached in 1948. At the same time the supply of consumer goods is expected to improve, and in particular the supply of durables, for which the pent-up demand is by no means exhausted. Consumer spending will therefore rise in real terms and consumption will absorb a larger share of a larger product.

Prices - A review of the demand forces likely to be operating in 1949 suggests that markets will be available to absorb the slightly larger volume of Canadian production expected, though in some instances at prices that will no longer be increasing. Labour and other productive facilities should remain in fairly strong demand, with the result that wage rates and other costs would proceed moderately upwards. At the same time a more even balance between demand and supply in many sectors of the economy, coupled with a prospective levelling in world prices, will definitely limit the extent of further price rises in the home market. In these circumstances the general price level in Canada in 1949 might be expected to exceed that of the previous year by about 4 or 5 per cent. Nearly all of this increase was already realized at the end of the year, so that only a very slight further rise during 1949 is involved. Considerable divergence may characterize the trend in different sectors, with steel and other mineral products reflecting firmer market conditions than are likely to prevail for foods, textiles and some other soft consumer goods.

Employment - Employment intentions of business and market conditions generally suggest that labour requirements in the coming year will increase moderately. It is expected, therefore, that the labour market will absorb the greater portion of the increment to the labour force, estimated at about 120,000 persons. Unemployment will be higher than in 1948, though still at comparatively low levels, probably below 3 per cent of the labour force.

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The Industrial Outlook - Market conditions likely to prevail in 1949 appear to involve no major change in the pattern of industrial activity, although some minor shifts will occur. The softening apparent in some sectors of the foreign market will affect primarily certain segments of agriculture, fishing, lumbering and related processing industries. However, in the case of some of the products affected, the existence of government marketing agencies, coupled with price supports, will tend to protect incomes at the expense of higher inventory carryovers. On the other hand, anticipated levels of demand are expected to provide the basis for some increase in output in mining and mineral processing industries, in construction and construction materials and in most steel-using groups. Further expansion in most service industries is also probable. In the great bulk of other consumer industries activity should be at least maintained.

The Regional Outlook - The regions will continue to share unequally in national prosperity. In the Maritimes it is expected that the pattern of unemployment pockets that has persisted since the war will continue though in somewhat modified form. New Brunswick, where the forest industries are chiefly concentrated, will probably bear a larger share of unemployment, largely because of reduced activity in the woods. In Quebec unemployment is also expected to be higher largely in consequence of the rapid growth of the regional labour supply and the decline in shipbuilding and logging. In Ontario expansionary influences have been very strong. Although some shifts will take place, activity will be fairly well distributed in 1949. At the same time, a slackening in the hitherto rapid rate of expansion should bring the demand for labour into better balance with the regional supply. In the Prairies the outlook is almost uniformly good (assuming average crops), largely because of the strongly buttressed position of farm income and the new resource development that is now under way. In British Columbia forces making for expansion are still present. But altered conditions in foreign markets, combined with the influx of population, are expected to push unemployment well beyond the relatively high level of the previous year.

Newfoundland

Newfoundland is not treated as part of the national economy for purposes of this report, largely because of the inadequacy of the statistical data. Nevertheless, some mention should be made of the economic outlook in the new province. Prospects for the sale of Newfoundland's basic export products - fish, newsprint and minerals - are good for the most part. The

new social security payments from the Federal Government will be a significant increment to personal income, thereby broadening the domestic market for consumer goods and services. At the same time, the union brings some problems of adjustment, particularly for the secondary manufacturing industries which have developed in a protected market and now face open competition from producers elsewhere in Canada. On the whole, however, it seems probable that Newfoundland will share in the prosperity expected to prevail in Canada in 1949.

The first part of the paper discusses the importance of the study and the objectives of the research. It also provides a brief overview of the methodology used in the study. The second part of the paper presents the results of the study and discusses the implications of the findings. The third part of the paper concludes the study and provides some suggestions for future research.

TABLE I

GRCSS NATIONAL PRODUCT AND GROSS NATIONAL EXPENDITURE, 1948 AND 1949

(millions of dollars)

Income	Preliminary Estimate 1948	First Forecast 1949	Anticipated Change P.C.	Expenditure	Preliminary Estimate 1948	First Forecast 1949	Anticipated Change P.C.	
							Value	Volume
1. Salaries, wages and supplementary labour income	7,134	7,810	+ 9	1. Personal expenditure on consumer goods and services	10,000	10,900	+ 9	+ 5
2. Military pay and allowances	81	100	+ 23	2. Government expenditure on goods and services	1,683	1,975	+ 17	+ 12
3. Investment income	2,592	2,650	+ 2	3. Gross home investment				
4. Net income of individual enterprise	2,995	3,060	+ 2	(a) Plant, equipment & housing	2,500	2,700	+ 8	+ 1
Agriculture	1,743	1,710	- 2	(b) Inventories	600	350	- 42	-
Other	1,252	1,350	+ 8	4. Exports of goods and services	4,042	4,125	+ 2	- 1
5. Net national income at factor cost	12,802	13,620	+ 6	5. Deduct -				
6. Indirect taxes less subsidies	1,696	1,780	+ 5	Imports of goods and services	3,616	3,800	+ 5	-
7. Depreciation allowances and similar business costs	993	1,050	+ 6	6. Residual error of estimate	+ 141	+ 100	-	-
8. Residual error of estimate	- 141	- 100	-	7. Gross National Expenditure at Market Prices				
9. Gross National Product at Market Prices	15,350	16,350	+ 6.5		15,350	16,350	+ 6.5	+ 4

Note: 1. Investment in non-farm inventories appears in the National Accounts in the form of the difference between the value of stocks held at the beginning and at the end of the period in question. When prices are rising sharply the increment in the value of stocks would be correspondingly large, assuming the physical volume of inventories to be unchanged. Because of the less pronounced rise in prices expected during 1949 compared with the trend in 1948, the 1949 figure for investment in inventories, though lower in dollar terms, represents roughly an unchanged physical volume of investment. It should be noted, therefore, that the estimate of Gross National product in 1949 represents an increase of 4 per cent in the volume of goods and services and a 4 to 5 per cent increase in prices, but because of the method applicable with respect to inventories, this leaves only a 6.5 per cent increase in Gross National Product.

2. Tables IV and V include estimates for 1948 made subsequently to the publication of "National Accounts, Income and Expenditure Preliminary 1948". This accounts for certain discrepancies between figures shown in Table I and the corresponding aggregates appearing in the two other Tables.

No.	Date	Particulars
1	1890	To Balance
2	1891	By Cash
3	1892	To Cash
4	1893	By Cash
5	1894	To Cash
6	1895	By Cash
7	1896	To Cash
8	1897	By Cash
9	1898	To Cash

TABLE II

VALUE OF PRINCIPAL CANADIAN EXPORTS, 1948 AND 1949⁽¹⁾

(millions of dollars)

Commodity Group	1948 ⁽²⁾	First Forecast 1949
1. Farm Products		
Fruits, vegetables and grains	485	566
Cattle, pure bred and dairy cattle	27	13
Live beef, and beef and veal	84	60
Bacon and hams	70	45
Eggs and dairy products	69	60
Other	114	105
Sub-total	849	849
2. Fish Products		
Sub-total	90	83
3. Forest Products		
Softwood lumber and square timber	179	172
Pulpwood	44	44
Woodpulp	211	203
Newsprint	385	410
Other	124	135
Sub-total	943	964
4. Primary and Semi-Processed		
Metals and Minerals		
Iron ore, primary and semi-finished steel	38	38
Aluminum (scrap, bars and ingots)	89	107
Copper (ore and other primary)	75	92
Lead	35	49
Nickel (fine, matte and oxide)	74	85
Zinc	43	62
Asbestos	41	43
Other	76	80
Sub-total	471	556
5. Chemicals⁽³⁾		
Sub-total	68	67
6. Other Manufactured and Miscellaneous Goods		
Whiskey, spirits and beer	29	29
Rubber manufactures	24	25
Furs, dressed and undressed	24	25
Ferro-alloys	24	26
Locomotive and parts	9	14
Farm implements and parts	74	72
Automobiles, trucks and parts	55	50
Manufactured chemicals	19	15
Ships sold and aircraft	94	62
Other	303	288
Sub-total	655	606
Total Exports of Canadian Produce	3,076	3,125
Re-exports	35	35
Gross Exports	3,111	3,160

(1) Sales to Newfoundland are included for both years. These are excluded in the adjusted merchandise export figure shown on Table IV.

(2) Source: Trade of Canada.

(3) Does not include all chemicals.



TABLE III

VALUE OF PRINCIPAL IMPORTS FOR CONSUMPTION, 1948 AND 1949⁽¹⁾

(millions of dollars)

Commodity Group	1948 ⁽²⁾	First Forecast 1949
1. <u>Farm Products</u>		
Fruits, vegetables and grain	126	140
Sugar	70	60
Tea, coffee, cocoa and spices	60	50
Rubber, crude	21	30
Raw wool	48	50
Other	32	40
Sub-total	357	370
2. <u>Textiles</u>		
Cotton and products	135	130
Flax, hemp or jute	28	28
Wool and products	66	65
Artificial silk and products	30	30
Other	43	45
Sub-total	302	298
3. <u>Forest Products</u>		
Manufactures of paper	48	50
Other	25	25
Sub-total	73	75
4. <u>Primary and Semi-Processed Metals & Minerals</u>		
Iron and Primary & semi-finished steel	125	160
Coal, coke and products	206	180
Petroleum and products	302	275
Clay and products	31	32
Glass and products	26	30
Other	126	130
Sub-total	816	807
5. <u>Chemicals</u>	Sub-total	118
6. <u>Other Manufactured and Miscellaneous Goods</u>		
Beverages	16	16
Non edible oils	19	35
Manufactures of rubber	16	14
Manufactures of leather	19	15
Furs and products	25	22
Engines, boilers and parts	51	55
Farm implements, machinery and parts	139	155
Other machinery and parts	217	225
Other iron and steel products	121	130
Automobiles, trucks and parts	129	153
Electrical equipment	68	85
Other	151	175
Sub-total	971	1,080
TOTAL IMPORTS FOR CONSUMPTION	2,637	2,750

(1) As in footnote (1) Table II.

(2) Source: Trade of Canada.



TABLE IV

NET BALANCE ON INTERNATIONAL CURRENT ACCOUNT, 1948 AND 1949.

(millions of dollars)

	Estimated 1948		First Forecast 1949	
	Credits	Debits	Credits	Debits
Merchandise (adjusted)	3,030	2,598	3,074	2,711
Non-monetary gold	119	-	140	-
Tourist expenditure	282	132	298	165
Interest and dividends	70	325	74	360
Freight and shipping	337	275	323	274
Inheritances, immigrant and emigrant transfers	83	49	75	50
All other current	218	288	216	290
Total current	4,139	3,667	4,200	3,850
Net Balance on Current Account	472		350	
Adjustment to "National Accounts"				
Less: Inheritances, immigrant and emigrant transfers	83	49	75	50
Official contributions	19	-	-	-
Total Current (adjusted to "National Accounts")	4,037	3,618	4,125	3,800

TABLE V

VALUE OF PRIVATE INVESTMENT IN DURABLE PHYSICAL

ASSETS AND IN INVENTORIES, 1948 AND 1949

(Includes Government-Owned Enterprises)

(millions of dollars)

Type of Expenditure	Preliminary Estimate 1948	First Forecast 1949	Anticipated Change P.C.
Investment in Durable Physical Assets			
Manufacturing	564	522	- 7
Mining	118	121	+ 3
Woods operations	30	18	-40
Utilities	525	607	+16
Construction industry	48	29	-40
Commercial	265	260	- 2
Agriculture and fishing (excluding housing)	310	347	+12
Institutions ⁽¹⁾	68	124	+82
Residential ⁽²⁾	612	653	+ 7
Sub-total	2,540	2,681	+ 6
Investment in Inventories			
Industrial and Business	554	295	-47
Grain in commercial channels	55	50	- 9
Farm	- 9	5	
Sub-total	600	350	-42
Total Domestic Private Investment	3,140	3,031	- 3

(1) This excludes expenditures for municipal schools and provincial hospitals, estimated at \$60 million for 1948 and \$74 million for 1949. These are covered under Government expenditure.

(2) This excludes the value of residential housing carried out by Central Mortgage and Housing Corporation, estimated at \$70 million for 1948 and \$88 million for 1949 - (The 1949 figure includes expenditures made by and on behalf of the Department of National Defence). It includes outlays for major alterations.

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Year	Month	Day	Time	Location	Personnel	Subject
1950	Jan	1	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	2	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	3	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	4	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	5	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	6	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	7	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	8	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	9	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	10	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	11	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	12	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	13	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	14	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	15	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	16	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	17	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	18	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	19	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	20	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	21	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	22	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	23	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	24	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	25	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	26	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	27	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	28	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	29	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	30	9:00	Chem 500	W. R. Sorenson	General Chemistry
1950	Jan	31	9:00	Chem 500	W. R. Sorenson	General Chemistry

W. R. Sorenson, Department of Chemistry, University of Chicago, Chicago, Illinois

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TABLE VI

GOVERNMENT EXPENDITURE ON GOODS AND SERVICES, 1948 AND 1949⁽¹⁾

(millions of dollars)

Type of Expenditure		Federal	Provincial	Municipal ⁽²⁾	Total
New Construction	1948	139	148	161	448
	1949	196(3)	148	184	528
New Machinery and Equipment	1948	20	14	23	57
	1949	35	14	22	71
Repair and Maintenance to Structures	1948	23	61	75	159
	1949	30	62	78	170
Repair and Maintenance to Machinery and Equipment	1948	17	8	7	32
	1949	23	9	7	39
Resource Development	1948	23	16	-	39
	1949	34	18	-	52
Other Goods and Services	1948	456	177	315	948
	1949	582	199	334	1,115
Total Goods and Services	1948	678	424	581	1,683
	1949	900	450	625	1,975

- (1) Expenditures are included at the level of government where goods and services are purchased. For example, subsidies from the federal government to the provinces appear under "Provincial" rather than under "Federal".
- (2) Includes expenditure on schools, and that part of expenditure on housing that is made under Emergency Shelter Regulations.
- (3) Includes expenditures on residential construction made by Central Mortgage and Housing Corporation.



TABLE VIII

PERSONAL EXPENDITURE ON CONSUMER GOODS AND SERVICES, 1948 AND 1949

(millions of dollars)

	Preliminary Estimate 1948	First Forecast 1949	Anticipated Change P.C.
Goods	6,932	7,577	+ 9
Perishable goods	4,015	4,208	+ 7
Semi-durable goods	1,569	1,749	+ 12
Durable goods	617	734	+ 19
Miscellaneous goods(1)	731	806	+ 10
Services(1)	2,320	2,503	+ 8
Income in kind	873	940	+ 8
Net personal expenditure abroad	- 125	- 120	+ 4
Personal expenditure on consumer goods and services	10,000	10,900	+ 9

- (1) The estimate for miscellaneous goods is made up of a number of adjusting items, including an allowance for sales through new retail outlets not covered by the retail sales series. The estimate of expenditure on services also includes an allowance for sales through new outlets.



TABLE VIII

EMPLOYMENT, UNEMPLOYMENT AND THE LABOUR FORCE, 1948 AND 1949

(thousands of persons)

	1948	First Forecast 1949	Anticipated Change P.C.
Wage Earners	3,380	3,468	+ 3
Agriculture	134	140	+ 4
Forestry, fishing & trapping	80	75	- 6
Mining, quarrying & oil wells	73	79	+ 8
Manufacturing (inc. public utility operation)	1,214	1,242	+ 2
Construction	223	233	+ 4
Transportation & communication	333	340	+ 2
Trade, finance & insurance	608	622	+ 2
Service	715	737	+ 3
Own Accounts & family workers	1,511	1,520	+ 1
Farm	964	965	-
Non-farm	547	555	+ 1
Employed	4,891	4,988	+ 2
Unemployed	103	120	+ 17
Civilian labour force	4,994 ⁽¹⁾	5,108	+ 2
Armed Services	36	42	+ 17
Total labour force	5,030	5,150	+ 2

Note: 1. The average of the quarterly estimates of the labour force published in the D.B.S. "Labour Force Bulletin" is increased by 12,000 to take account of net immigration in excess of what is provided for in the D.B.S. estimate. This increment is distributed over the various categories.

PART IINATIONAL OUTLOOK FOR EMPLOYMENT AND INCOME, CANADA, 1949Introduction

Since the end of the war inflationary influences have been world-wide. They have their origin in the vast wartime expansion in the money supply, in the great accumulation of need and in the unprecedented destruction of productive capacity in Europe and in Asia. In some countries the inflation is open; in others it is suppressed. On this continent inflationary pressures, though strong, have been less severe than elsewhere because needs were less acute and productive capacity undamaged. The machinery of control carried over from war to peace, still maintained in some strategic sectors on this Continent and fully operative in some European countries, retarded the advance of prices for a time but did not weaken the basic inflationary forces that were universally present.

Two years of uninterrupted high production on this continent have sufficed to meet some of the most urgent needs at home and abroad and at the same time partial recovery in Europe and in Asia diminished their dependence on Northern American sources of supply. In spite of the generous programme of assistance to Europe, lack of foreign exchange now compels most countries to exercise stringent economy in their purchasing from dollar areas. The good harvests of 1948 have greatly eased the acute world shortage of food and thereby removed (for the next crop year at least) one very powerful and pervasive inflationary influence. In these circumstances, and so far as this continent in particular is concerned, by the end of 1948 supply and demand were coming into better balance and inflationary pressures were on the wane. Elsewhere the supply of goods remains deficient in relation to needs and domestic purchasing power.

However, sustained international tension has introduced a new influence into the situation in the form of a re-armament programme. American foreign policy, in that it requires substantial aid to Europe (and possibly also to Asia) and a heavier burden of armament expenditure than has ever before been undertaken in a peacetime year, is becoming a basic determinant of the economic climate in the United States. Demand is converging on the metals sector; new distortions in the price structure may develop as others are ironed out; business and consumer behaviour are becoming geared to the uncertain tempo of the armament programme. This creates special elements of uncertainty in the outlook at this time.

THE HISTORY OF THE UNITED STATES

The history of the United States is a story of growth and change. It begins with the first settlers, who came to the New World in search of a better life. They found a land of opportunity, but also a land of challenge. The early years were marked by conflict and struggle, as the settlers fought to establish their own communities and defend themselves against the forces of nature and the native population. Over time, the United States grew from a small colony into a powerful nation, with a rich and diverse culture. The story of the United States is a story of the human spirit, of the pursuit of freedom and the dream of a better future. It is a story that continues to inspire and guide us today.

It is against this background of known developments and unknown possibilities - of good or bad harvests, of worsening or improving international relations in the world at large in the coming year- ~~that~~ the economic outlook for Canada has to be considered and appraised.

Review of 1948

Gross National Product at market prices in 1948 approximated \$15.4 billion, exceeding that of the preceding year by about 15 per cent. At least three-quarters of this rise resulted from higher prices. The remaining increase in Gross National Product represented the rise in the physical volume of production in 1948 over the previous year. Higher agricultural production, arising principally from better crops, probably accounts for only a minor part of the physical increase in national output. Other industries where greater production is clearly apparent include primary iron and steel, non-ferrous metals, oil and coal, building materials, farm implements, industrial machinery, and construction. In the non-agricultural sector as a whole increased employment appears to account for the greater part of the rise in physical output. Aggregate estimates give little evidence of any significant improvement in overall productivity, even though more effective operations are being reported in an increasing number of individual enterprises, particularly in the manufacturing field.

Private investment continued to account for an increasing proportion of total output. Of the principal components of national expenditure, outlay on plant, equipment and housing is the only one showing a significant increase in real terms. Government requirements increased moderately. The physical volume of goods and services absorbed by the other demand sectors, namely consumers and the export market, appears to be a little lower in the one case and in the other about the same as in the previous year. The rising trend in per capita consumption, apparent in the war and post-war years, appears to have been reversed in 1948. However, the impact of these demands on domestic production would be greater than is indicated by the actual outlays. Since the physical volume of imports in 1948 was about 10 per cent below the level of the previous year the domestic content of total purchases would be correspondingly greater.

In these circumstances a strong demand for labour and other productive facilities prevailed throughout the year. Employment **continued** to press closely upon the slowly expanding labour force. For the year as a whole unemployment held at the exceedingly low level of 2 per cent of the labour force.



A significant development during the latter part of the year was the slackening in the upward trend of prices. Several factors contributed to this phenomenon. In the international sphere, full scale production in Western Hemispheric Countries and progress toward economic recovery in Europe was sufficient to meet the more urgent post-war reconstruction needs. The increasing tempo of industrial production was being supplemented by good crops in the major world food-producing areas. As a result, the hitherto steady upward movement of world prices in 1948 gave way to generally divergent trends. Meanwhile, in Canada prices were rising sharply during 1947 and early 1948, so that the margins between domestic and foreign prices in many cases were eliminated. As a consequence, the inflationary influence of higher world prices on the Canadian economy virtually disappeared. Price adjustments following upon the decontrol programme also ceased to be an important influence in the direction of higher prices. Apart from these special considerations, basic inflationary pressures persist in the Canadian economy in the form of rising costs. With a tight market for labour, wage rates maintained a steady upward trend, even though more effective operations in many instances appear to be acting as a partial offset to higher costs. The net effect of these varied influences is that currently prices continue to move upward though at a much slower rate than in the early months of 1948.

The year 1948 ended with activity at a new peak and inflationary pressures moderating. In order to appraise the probable trend of activity and prices in 1949 it will be necessary to assess the demand forces likely to be operating in relation to the supply potential of the economy.

The Supply Potential

The labour force sets the upper limit to the volume of output that can be achieved. However, in 1949 the supply of labour will perhaps be less of a limiting factor than in any previous post-war year. Although there exists a considerable unsatisfied demand for labour on the farms and in domestic service, and perhaps some unsatisfied demand in textiles, in construction, and in mining, the situation is more and more becoming a matter of shortages of particular skills and particular categories of labour rather than one of general labour shortage. A lack of key skills may, of course, hold in suspense the demand for the associated unskilled labour. But in general it would be true to say that where the physical facilities and the raw materials are available, lack of labour will not restrict output as it has done in previous years. The increase in the labour force in 1949, estimated at about 2 per cent, therefore measures the additional supply of

goods and services that could be realized in 1949 simply as a result of the increase of numbers, without any improvement in output per worker. Whether the full increase in the labour force can be taken up in increased employment depends on the availability of raw materials and equipment. Potential supply depends therefore, not only on the size of the labour force but on its being fully and effectively utilized.

There is no quantitative information on productivity in the past that might serve as a rough guide to the trend in the future. But over the past year or more reports from employers have referred to the continuous decline in labour turnover and absenteeism; in most industries these have ceased to be a serious impediment to smooth operation. Likewise stocks of raw materials are larger and better balanced and in respect of both the flow of materials and the performance of the workers continuous improvement is taking place. More and more frequently employers now report that new facilities, improved machinery, new techniques or better plant layout, or some combination of all these, is making for greater output per worker. In a few isolated cases, a substantial improvement is expected. At the same time, the more competitive conditions now emerging in some industries acts as a spur to management. In these circumstances the improvement in output per worker should exceed what has occurred in the past year, and in the commodity-producing industries may amount to 3 per cent.

Strikes in basic industries are another possibility that has to be taken into account in appraising the potential supply of goods and services in 1949. At this stage the pattern of claims and concessions in the coming year has begun to crystallize, and it is apparent that wage demands will be coupled with claims for benefits in many instances. So far, claims and concessions have been varied and it is evident that wage bargaining is taking into account the industry's ability to bear higher labour costs. Given the recent steadiness in living costs, the climate in which negotiations are being conducted does not seem to foreshadow a stormy year in industrial relations. The forecast has therefore been prepared on the assumption that industrial unrest will not interfere with the realization of higher output.

In the past year there have been two major bottlenecks on the supply side-steel and building materials. In 1949 the total supply of steel accruing from domestic production and from imports may be a little greater than in the previous year. As a result the shortage will be less important as a deterrant to activity in steel-using industries, even though supplies will still be inadequate to meet all requirements. Production of most building



materials is also expected to be higher and supplies should be generally adequate to support the moderately increased construction programme. Some items, particularly those containing steel, will still be difficult to obtain.

Another adverse influence to be taken into account is the power shortage. In all three of the great industrial provinces operations are hampered by inadequate power. Most affected are the electro-metallurgical and electro-chemical industries, which manufacture mainly for export. Most other industries can re-adjust production schedules at the cost of some loss in efficiency of operation. This adverse influence was of course present in 1948. In effect, therefore, the power shortage continues to retard an improvement in productivity and to limit production in certain directions.

In comparing the outlook for 1949 with the record for 1948, it is significant that imported supplies will be more readily available in the future than in the recent past. The gradual restoration of European production and the relaxation of some import controls will both contribute to this result. An improvement in the physical volume of imports during 1949 would be in strong contrast to the contrary experience in the preceding year.

Assuming average crops in 1949 (and an average crop was realized in 1948) the output of goods and services in 1959 could be perhaps 3 to 4 per cent greater than in 1948. In addition some increase in imports in real terms can be expected. When only a small increase in the supply of a strategic commodity such as steel is reasonably assured, and when uneven increases in the supply of other commodities can be expected, the aggregative approach to supply has only limited usefulness. When matched against aggregate demand, it is a rough guide to the direction of prices. But beyond that the question is how the pattern of demand will match the pattern of supply and what strains and adjustments the process will entail.

Commodity Exports

During 1948 the European Recovery Program was an important factor sustaining Canadian exports to the United Kingdom and other European countries. Nevertheless, European purchases in Canada showed some decline from the 1947 levels. Over the same period the American market absorbed an increasing volume of Canadian goods at generally rising prices. Export demands in 1949 will continue to hinge upon developments relating to the European Recovery Program and upon the level of activity and incomes in the United States.

Expenditure authorizations to the value of \$4,229 million were made by the Economic Cooperation Administration to the end of December, 1948. Of this amount, \$593 million or 15 per cent, was for procurement in Canada.



Actual procurement, however, is lagging behind authorizations, and it is estimated that \$136 million of ERP authorizations covering purchases in Canada remained to be delivered at the end of the year. In the first two months of 1949 additional authorizations of \$78 million for procurement in Canada have been granted. Thus, for the calendar year 1949 exports to the value of nearly \$215 million are already covered by ECA financing.

For the second ERP year it appears that American financial aid will be on a moderately reduced scale. The ECA submission to Congress proposes a figure of \$4.3 billion to cover the year July 1949 to June 1950, plus \$150 million for capital projects extending beyond the year. In addition, an \$1,150 million appropriation to cover the second quarter of 1949 has been proposed. While some further trimming by Congress is possible, it is considered that the volume of assistance finally approved will be close to the \$5.6 billion amount suggested by the Administration for the 15-month period.

Nevertheless, it is now apparent that Canada's share in future authorizations will be substantially reduced. Manufactured goods are likely to constitute a much larger portion of next year's assistance and to this extent the proportion of total aid procured in Canada is likely to decline. Improved agricultural production in Europe during the past year has to some extent lessened dependence on other sources of supply. Moreover, the efforts of the United Kingdom and other participating countries to develop new non-dollar sources of supply will also be a factor restricting Canadian exports, although perhaps not an important one for the time being. The factor likely to have the greatest effect on Canada's share of ERP trade in 1949 relates to the surplus position of various farm products in the United States, and to the easing supply position generally. In addition to the implementation of the "surplus clause" covering specific farm products, there is a growing tendency with respect to all commodities now available in the United States to direct prospective orders to American producers. Recently, strong opposition has been expressed in Congress to providing ECA funds for the United Kingdom's purchase of Canadian wheat, and it is now extremely doubtful whether such financing will be forthcoming for the second quarter of 1949.

On the other hand, there are certain factors that will help to maintain Canada's share of total European trade. Apart from meats and dairy products, Canada herself has larger surpluses for disposal in 1949 and her long-established position as an economic source of supply will no doubt redound to her advantage. Moreover, the slowly increasing volume of exports

The first part of the paper discusses the importance of maintaining accurate records of all transactions. It is essential for the business to have a clear and concise record of all income and expenses. This will help in the preparation of the tax return and in the event of an audit. The second part of the paper discusses the importance of maintaining accurate records of all assets and liabilities. This will help in the preparation of the balance sheet and in the event of an audit. The third part of the paper discusses the importance of maintaining accurate records of all income and expenses. This will help in the preparation of the tax return and in the event of an audit. The fourth part of the paper discusses the importance of maintaining accurate records of all assets and liabilities. This will help in the preparation of the balance sheet and in the event of an audit. The fifth part of the paper discusses the importance of maintaining accurate records of all income and expenses. This will help in the preparation of the tax return and in the event of an audit. The sixth part of the paper discusses the importance of maintaining accurate records of all assets and liabilities. This will help in the preparation of the balance sheet and in the event of an audit. The seventh part of the paper discusses the importance of maintaining accurate records of all income and expenses. This will help in the preparation of the tax return and in the event of an audit. The eighth part of the paper discusses the importance of maintaining accurate records of all assets and liabilities. This will help in the preparation of the balance sheet and in the event of an audit. The ninth part of the paper discusses the importance of maintaining accurate records of all income and expenses. This will help in the preparation of the tax return and in the event of an audit. The tenth part of the paper discusses the importance of maintaining accurate records of all assets and liabilities. This will help in the preparation of the balance sheet and in the event of an audit.

from soft currency to hard currency areas is providing a larger supply of free funds that can be used by European countries to purchase in Canada when it is to their economic advantage to do so. The agricultural contracts with the United Kingdom are another factor that lends stability to Canada's overseas markets for the coming year, although there is no definite guarantee. These contracts provide for the purchase in the present contract year of 140 million bushels of wheat (reduced 20 million bushels from the previous year); 160 million pounds of bacon (reduced 35 million pounds); 46 million dozen eggs (reduced 30 million dozen) and 50 million pounds of cheese (unchanged). The prices are unchanged from the previous year, except in the case of shell eggs where the price is a little lower. In aggregate the contracts cover purchases to the value of \$425 million. Even in the event of ECA funds no longer being available to cover these purchases, it seems likely that independent means of financing would be found, at least for the bulk of these exports. In fact, in the case of bacon and cheese inadequate supplies in Canada rather than difficulty in financing, may turn out to be the crucial factor preventing the full realization of exports contracted for.

On balance it appears that during 1949 the United Kingdom and other ERP countries will continue to rely on Canada for a large volume of food and raw materials and perhaps also for limited amounts of specialized manufactures. Total exports to these countries may, in fact, approximate the level of the previous year. Nor should the financing problem prove insurmountable. As previously indicated, there is already approved ECA financing for about \$215 million of this year's exports. The release of the United Kingdom credit at the rate of \$10 million per month will provide another \$120 million if continued till the end of the year. Commodity exports to Canada by all ERP countries amounted to roughly \$375 million in 1948, and may be expected to reach at least \$450 million in 1949. Assuming the funds so obtained are not used to cover adverse balances elsewhere, this would provide total financing to the extent of \$785 million. Some of this will be required to cover Europe's deficit with Canada on non-merchandise items. Taking this factor into account, roughly \$700 million would be available for the purchase of goods. An additional \$300 million of ECA financing for use within the year would therefore be necessary as a minimum if last year's level of commodity exports is to be achieved. Such an amount allows for a considerable reduction in Canada's share of ECA procurement authorizations.

During 1948, in other overseas markets, the acute dollar shortage led to the imposition of an increasing number of trade restrictions directed



against hard currency areas. Especially worthy of note is the imposition of import restrictions by the Union of South Africa. Canadian sales to this Commonwealth country had been at an annual rate of \$75 million. A number of Canadian industries are feeling the effect of these restrictions. Although dollar receipts from the sale of goods to hard currency areas are increasing gradually, nevertheless during 1949 dollars are likely to be available for only the most urgent requirements.

Since allowance must be made for a moderate decline in overseas sales during 1949, much depends upon the likelihood of a continuing increase in exports to the United States. This, in turn, will depend upon the degree of prosperity in that country.

With the disappearance of many of the more urgent demand backlogs, outlays in some sectors of the American economy are expected either to level off or decline during the coming year. Present expectations in general provide for a moderate decrease in residential construction and also in industrial investment. Inventories are moving into line with the current volume of sales. Even assuming the continuation of a high level of activity during 1949, the rate of inventory accumulation may diminish to negligible proportions. Except for automobiles, where accumulated needs persist, consumer demand now appears to have reached a position more in keeping with current incomes and recurring requirements.

On the other hand, prospective larger capital outlays for utilities and by state and local governments should partly if not wholly offset reductions elsewhere. With the likelihood of larger shipments under the Economic Co-operation Act (due principally to the carryover of first year authorizations) the export surplus should be at least maintained. It is the enlarged armament programme and the Administration's expressed intention of maintaining a high rate of defence expenditure in the years ahead that is expected to give the most important impetus to the American economy during the coming year. For the next fiscal year the President has asked for appropriations of \$14.3 billion for defence, including \$530 million for stockpiling strategic materials. This would involve an increase of \$2 or 3 billion in the annual rate of expenditure made internally for defence in 1949. This does not cover military aid to Western Europe; the President intends to request appropriations for this purpose when joint defence plans are further advanced. These considerations suggest the likelihood of a rising tempo of spending for defence during the latter part of 1949, which would tend to offset any slackening of demand that may occur in other sectors



of the economy. Apart from defence, the Government faces additional outlays in furtherance of its domestic policies and programmes. The inflationary effect of higher Government expenditure will be mitigated, of course, to the extent that it is financed by the newly proposed tax measures. But in the circumstances it seems unlikely that a significant budget surplus will be maintained.

With these new supports to the American economy it would seem reasonable to anticipate the continuation of a high level of activity during 1949. The changing pattern of requirements still leaves a concentration of demand upon the metal industries and in this sector some further price increases are likely to take place. Elsewhere, supplies are either adequate or ample and divergent though generally sustained price movements can be expected.

Therefore, present prospects would seem to indicate the continuation during 1949 of a favourable market in the United States for Canadian goods. The possibility of some increase in the volume of supplies from Canada should have no appreciable effect on prices. In instances where Canadian products constitute a major portion of the total supply, as in the case of pulp and paper and various metals, the market remains either fairly firm or very buoyant. On the other hand, in the relatively soft sectors of the American market, e.g. agricultural products, Canadian sources in general provide a small part of the total supply. Therefore, it seems likely that during the coming year the United States will be able to absorb increased quantities of many of Canada's export products at prices generally in line with those now prevailing. Possible exceptions are lumber and certain surplus agricultural commodities.

Under the conditions outlined, the physical volume of exports in 1949 will probably hold close to the 1948 level. Demand in the European and American markets will continue to be concentrated on primary and semi-processed products, and available supplies of many of these items may be a little greater in 1949. Exports of agricultural products in value terms should be maintained in 1949, with increased sales of wheat and other grains offsetting the likely decline in exports of meats and certain other secondary products. The probability of larger exportable supplies of various metals and mineral products, coupled with higher average prices for the year as a whole, should result in a larger export value for this group. Exports of wood products can also be expected to increase slightly, owing to a greater production of some grades of wood pulp and higher average prices for newsprint. In spite of recent



softening in the American market a roughly unchanged value for lumber exports is foreseen. With respect to manufactured goods, further contraction in overseas markets can be anticipated. Where tariff regulations permit, new or enlarged markets may be obtained in the United States for some commodities. On balance, exports of manufactured items will probably be lower in value during the coming year. Groups likely to show significant declines include ships, textiles and leather goods. The aggregate value of commodity exports in 1949 may be in the general neighbourhood of \$3,150 million compared with an estimated \$3,100 million in 1948.

Commodity Imports and the Current Balance

Much of the development of resources and new industries that has taken place in Canada during recent years has been directed toward the production of goods for the home market that were previously imported. In addition there has been a gradual improvement in the supply position generally. Because of these two factors the tendency to purchase heavily abroad should not be so marked as in the immediate post-war years, even assuming a gradual relaxation of import controls during 1949. Nevertheless, higher average prices, particularly for some manufactured products, will be an important factor contributing to an increase in the value of imports in 1949. It is assumed therefore that the value of imports next year will be of the order of \$2,750 million, or roughly 4 per cent greater than in 1948.

This would leave a commodity trade balance in 1949 of \$400 million compared with \$475 million (unadjusted) in 1948. Thus, in the year ahead the net impact of our international trading operations upon productive activity in Canada may be somewhat smaller than was the case in the year just past.

A small positive balance on non-merchandise items will probably be realized in 1948. This may disappear or even turn negative in 1949. Dividends paid abroad will increase in 1949, in reflection of the rising level of profits. Under a recent order Canadian tourists are now permitted to bring in purchases up to a maximum value of \$100 per person. This will also tend to increase the debit side of the account. The credit side will be increased by somewhat greater sales of gold and probably also by higher outlays by foreign tourists in Canada. However, the increase in the debit items is likely to exceed the increase in the credit items.

Private Domestic Investment

In spite of the unprecedented volume of investment realized during the last two years, demand backlogs persist in many sectors of the Canadian economy. These requirements are being continually replenished as a result of



new development of resources and related economic growth. Moreover, provision of secondary services continues to lag well behind the development in basic industries. Under these conditions the continuation of a high level of investment activity appears assured for the coming year.

This year's survey of investment intentions indicates a total expenditure on capital goods in 1949 of \$2,700 million in the non-Government sector of the economy. This represents an increase of 6 per cent over the \$2,540 million outlay realized in 1948. Outlay for new construction accounts for \$1,470 million, 10 per cent higher than in the previous year, while purchases of machinery and equipment are estimated at \$1,230 million, about the same as in 1948.

Investment trends in the principal sectors of the economy, indicated for 1949, follow a pattern similar to that established in the previous year. On the basis of expenditure intentions, capital outlays will be substantially greater for institutions and some utility groups, moderately higher for housing and agriculture, roughly unchanged for commercial undertakings and mining, and lower for manufacturing, forestry and the construction industry. Outlays in the business sector of the economy (including all enterprises and agencies whose revenues are derived mainly from the sale of goods and services) are expected to increase by only 2 per cent in dollar terms.

In terms of physical volume the anticipated private investment programme is of about the same or perhaps slightly lower magnitude than in 1948. By the same measure, new construction is higher by 4 per cent and purchases of machinery and equipment lower by 7 per cent. Physical limitations to the achievement of this programme should be of lesser importance than in previous years. A survey dealing with prospective availability of investment goods during 1949 indicates that an increasing number of materials are expected to be in adequate supply. Of special importance is the growing evidence of some relaxation in the hitherto acute shortage of steel. With the construction programme showing but a moderate increase in physical terms, the supply of labour, both skilled and unskilled, should be generally more adequate. Furthermore, the general business outlook does not suggest the likelihood of any widespread cancellation of intentions. In these circumstances and with evidence of a considerable backlog of projects still in existence, it is quite possible that larger programmes may be achieved in some sectors than anticipated. However, the investment estimate appearing in Table 1 assumes no more than full realization of investment intentions indicated by the survey.



If this programme is realized, private investment in 1949 will constitute about the same proportion of gross national product as in the previous year. Construction activity would, in fact, be perceptibly greater. Furthermore, even though a reduction is indicated with respect to physical investment in machinery and equipment, it is probable that the demands made upon labour and other productive facilities will be somewhat greater than the aggregate size of the capital outlays would suggest. This arises from the fact that an increasing proportion of investment requirements are being produced domestically instead of being imported. The effect of the dollar conservation programme, and in particular Schedule III controls, has been to encourage the production of investment goods in Canada wherever this can be accomplished on a competitive basis. Apart from special measures directed towards this end, the gradual improvement in material supplies in Canada brings a decreased reliance on imported products. In general, this trend towards greater dependence on domestic sources of supply for investment materials can be expected to continue during 1949. The evidence, therefore, suggests that investment requirements in the coming year will be an important sustaining influence in the economy.

A second phase of private investment relates to changes in inventories. The book value of business inventories has risen sharply in the past two years. In terms of physical volume, however, the increase appears to have been moderate. Shortages persisting in various industries, e.g., building materials, have tended to hold physical inventories to a minimum. Moreover, throughout the post-war period there has been evidence of continuing caution among businessmen. Thus, while inventories in some lines are now adequate or even excessive, in others some further rounding out of stocks is necessary to support the present level of business. Moreover, the net expansion of productive facilities anticipated this year will involve a sizable addition to aggregate physical inventories. The armament programme may also contribute, both directly and indirectly, to further growth in industrial stocks. In agriculture, recent changes in price ratios should contribute towards a building up of farm stocks in the coming year. Thus, overall physical inventories may continue to accumulate at about the same rate during 1949, although the value of stocks would show a smaller change as a result of the levelling of prices.

Government Expenditure on Goods and Services

Expanded outlay for capital projects and for military preparedness are two major factors that will contribute to increased government expendi-

ture in 1949 on goods and services measured in real terms. During recent years many essential government projects have been left in abeyance because of the pressing demand from private enterprise for capital goods. There are now indications that the physical volume of private capital investment will level off in the coming year. At the same time increased supplies of labour and materials in capital goods industries are anticipated. In these circumstances capital programmes of government should go forward at an increased rate. Although plans relating to defence are still in a formative stage, they are nevertheless expected to involve somewhat larger expenditures, with much of the increase to be expended on goods of a capital nature.

Changes from 1948 in other sectors of government activity are likely to be of relatively minor importance. Increased costs will, of course, have a significant effect on dollar outlay in the Government sector generally. With these various influences taken into account the increase in government expenditures on goods and services in 1949 may be of the order of 15 to 20 per cent.

Consumer Expenditure on Goods and Services

The flow of income to consumers in 1949 will be high and rising. On the basis of the present rates of personal income tax and taking account of retroactive payments to farmers and the repayment of the rest of the refundable portion of the war-time income tax, income at the disposal of consumers is expected to be up about 9 per cent. To supplement current income there is still a large accumulation of personal saving as well as ready access to consumer credit. There are thus strong supports to consumer spending. While the forecast assumes unchanged tax rates, to the extent that taxes are reduced there will be still more income available to consumers for spending.

During the past year the rate of spending out of income was abnormally low, low in relation to the pre-war period but also low in relation to the preceding year. This is related in part to the persisting shortages of the large durables, the purchase of which often means spending in excess of income in the year in which they are bought; but it is also associated with the relatively large proportion of consumer incomes accruing to farmers and other traditionally high-savings groups. Since it is expected that in 1949 consumer durables will be in easier supply and higher incomes will be distributed more evenly among major groups, it follows that the ratio of spending out of income may be slightly higher than in 1948. The forecast of consumer expenditure represents a savings ratio of 10 per cent, as com-



pared with 11 per cent in 1948.

The improvement in incomes relative to prices, and in particular the improvement in incomes in terms of the basic essentials, will introduce a new influence into the market for consumer goods. During 1948 average wage income failed to keep pace with the rise in prices, even though wage rates were continuing to move sharply and unevenly upward, and salaried groups and fixed income recipients experienced severe pressure on their standard of life. Rapidly changing price relationships and income relationships tend to distort the pattern of consumer spending. In 1949 essentials will absorb a smaller part of incomes, leaving more available for less essential items. The forecast, therefore, assumes that there will not only be a decline in the savings ratio but some shift in consumption patterns.

The quantitative estimates provide for an increase of 9 per cent in consumer expenditure, the significant increase being in the durable lines. As mapped out in detail it assumes an increase of 7 per cent in expenditure on perishables, of which about half would represent greater volume and the rest higher average prices in 1949 than in 1948. This would mean somewhat increased per capita consumption of perishable items. For semi-durables the forecast assumes an increase in expenditure of nearly 12 per cent, of which 5 per cent would represent an increase in volume. A gain in volume for these two categories in 1949 would contrast with a loss in 1948.

The domestic supply of durables is expected to improve appreciably in 1949, in spite of limitations on the supply of sheet steel. There is some scope for substituting other metals and what is probably more important the domestic market will receive a larger share of total output in those instances, e.g. motor cars, where there are a growing number of restrictions on exports to Empire markets. Even some small durables are not yet in abundant supply. The backlog of demand for durables as a group is still considerable even if production has already outstripped demand in respect of a few specific items. In some lines competition on the basis of quality and price may be expected to develop in 1949, but the market generally will support the present higher prices. The forecast, therefore, assumes an increase in expenditure of 19 per cent, of which about 12 per cent would represent an increase in volume.

The prices of services, many of which have changed little if any for some years, have begun to move up, although generally not to the same extent as other prices. The new regulations will permit an increase in rents that may amount to about 5 per cent on the average. Expenditure on services is assumed to rise 8 per cent, of which 4 per cent would represent an increase

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be carefully documented to ensure the integrity of the financial data. This includes recording dates, amounts, and the nature of the transactions. The second part of the document outlines the procedures for reconciling the accounts. It states that the accounts should be reconciled at the end of each month to identify any discrepancies. The third part of the document describes the process of preparing the financial statements. It notes that the statements should be prepared in accordance with the generally accepted accounting principles (GAAP). The fourth part of the document discusses the importance of internal controls. It states that internal controls are essential for preventing fraud and ensuring the accuracy of the financial data. The fifth part of the document outlines the responsibilities of the management. It states that the management is responsible for ensuring that the financial data is accurate and that the financial statements are prepared in accordance with the GAAP. The sixth part of the document discusses the importance of transparency. It states that transparency is essential for building trust with the stakeholders. The seventh part of the document outlines the procedures for auditing the financial data. It states that the financial data should be audited by an independent auditor. The eighth part of the document discusses the importance of compliance. It states that the company must comply with all applicable laws and regulations. The ninth part of the document outlines the procedures for reporting the financial data. It states that the financial data should be reported to the stakeholders in a timely and accurate manner. The tenth part of the document discusses the importance of communication. It states that communication is essential for ensuring that the stakeholders are informed of the company's financial performance.

in volume.

The element of price increase involved in the estimate as a whole is 4.5 per cent, the bulk of which was already realized at the end of 1948. What is envisaged in the forecast of consumer expenditure is that higher incomes and more stable price-income relationships will make for somewhat higher standards of consumption of staple items and for a substantial catching-up on long deferred needs.

Price Trends and Gross National Product

It is evident that in the coming year unsatisfied demand will remain in some important sectors of the economy. At the same time it is apparent from the foregoing analysis that the volume of demand unaffected by special supply limitations should exceed actual physical expenditure in 1948. Physical requirements of government and also of consumers should be higher in 1949, even when allowance is made for the effects of a continuing high price level. Private investment demands may not change to any extent. The export market will probably not be so generally buoyant as in the past few years to the extent of being able to absorb virtually unlimited quantities of many types of products (particularly foods and raw materials) at increasing prices. Nevertheless, foreign buyers will probably be able to absorb greater quantities of Canadian goods in most fields where exportable surpluses exist. Weakening foreign markets for certain food items and for some manufactured products may constitute an exception to this general condition. However, larger domestic demands for manufactured products should serve to sustain activity. On balance, while sales abroad are likely to be maintained next year, world market conditions may nevertheless have a restraining influence on domestic price trends.

It can be concluded, therefore, that aggregate demand operative in the economy next year will probably continue to exert some pressure upon a moderately greater supply potential. A little more unemployment may prevail but on the whole labour and productive facilities should remain in fairly strong demand. Under these conditions wage rates and costs generally may continue upward though at moderating rates. As a result the general price level may continue to edge upward particularly during the early part of the year.

At the same time diverging trends in different sectors of the economy can be expected. Prices of food and other farm products are likely to experience a distinct change in trend, comparing 1949 with 1948. This is due primarily to the influence of conditions in the world market. Domestic



prices of food and other farm products at the beginning of 1948 were well below world levels and rose sharply during most of the year. Meanwhile bumper harvests in major food-producing countries have reduced world prices. As a consequence, domestic prices are now generally in line with those in the United States, even though export controls still apply to a number of farm products. In spite of this year's large crops, North American grain supplies can hardly be considered excessive in relation to foreign and domestic requirements, and many secondary commodities such as meats and dairy products remain in short supply. Canadian food prices therefore, will probably rise slowly during the first part of 1949. Thereafter, assuming average world crops, they will probably drop moderately in accordance with the usual seasonal trend.

On the other hand, prices of producer and consumer durables and of metal products generally are likely to hold steady or continue upward during the coming year. In spite of some expected improvement in supplies and lower investment requirements in some industries, the Military Preparedness Programme in the United States and in Canada will serve to prolong a concentration of demand on metal goods and in particular on steel. This in turn will reinforce the upward movement in wage rates in these industries. With a buoyant market prevailing, the resulting costs increases are likely to be passed on to the buyer in the form of higher prices.

With some prospective improvement in the supply of building materials, prices should show a tendency to level out, although trends in individual items may vary considerably. Prices of items with a heavy steel content will likely continue to rise. Certain products such as cement are also expected to remain in acutely short supply. On the other hand lumber prices will reflect the influence of some softening in the American market and lower U.K. contract prices.

Prices in other industrial sectors will be influenced by upward cost pressures which are likely to permeate fairly generally throughout the economy. At the same time a slackening in the upward trend of living costs will have a moderating influence on wage demands. The sobering effect of conditions in foreign markets coupled with a more even balance between demand and supply in the domestic market will also serve to limit the extent of further price advances.

With respect to services, post-war price adjustments for different reasons have tended to lag behind those in other sectors. Consequently, some upward price movements in this field are to be expected, applying to such



items as rents, street railway fares and medical expenses.

As a result of these various influences it would seem reasonable to expect the average overall price level during 1949 to exceed that of the preceding year by 4 to 5 per cent. Most of this increase has already come into effect by the end of the year. With allowance also made for a small increase in physical production arising from higher employment and improved productivity in some industries, the Gross National Product at market prices for 1949 may exceed that of the previous year by something like 6 to 8 per cent and thus reach a level in the neighbourhood of \$16.4 billion.

Income Distribution

The pattern of income distribution among the major groups in 1949 is expected to differ appreciably from that in 1948, when farm income was rising sharply relative to the rise in the incomes of all other groups and entrepreneurial income generally was rising more than average wage income.

Assuming average crops in 1949, farm income is expected to recede somewhat from the high position reached in the previous year, in spite of retroactive payments on past crops of wheat and other grains on the same scale - that is about \$200 million. The declining share of agriculture in the national income would be attributable mainly to the change in the direction of farm prices between the two years. Average prices received by the farmer this year will not show the increase expected in other sectors of the economy. Marketings of some items, especially livestock, may be a little below last year. Farm net income is therefore expected to decline slightly, as compared with a rise of 40 per cent in the preceding year. It is to be emphasized that farm income is fairly effectively protected against serious decline in 1949.

Average wage income, having risen about 11 per cent last year, is expected to rise a further 6 - 7 per cent this year. Assuming a 2 per cent rise in employment, wages and salaries would be higher by 9 per cent. In spite of the recent steadiness in consumer prices, the sharp rise in the cost of living that took place in 1947 - 48 will continue to play an important part in wage negotiations during the months ahead. Nevertheless, the more competitive conditions now developing in certain industries will limit both labour's demands and the concessions employers are willing and able to make, so that the average increase envisaged would be the outcome of unequal wage changes.

In spite of the mixed price pattern that is likely to prevail, business earnings are expected to be higher on account of the larger volume

of transactions that will take place. However, lacking a uniformly upward trend in prices and with inventory gains no longer an important factor, it is expected that the rise in corporate profits will be appreciably less than what occurred in the past two years. An increase of 4 per cent has been assumed, compared with a rise of more than 20 per cent between 1947 and 1948.

The sustained rise in consumer income, coupled with the shift in its distribution, will be a formative influence on the course of economic events this year. It underlies the expectation of rising levels of consumption and would in part explain the continuing strength of the economy in the face of some adverse developments in external trade.

A prospective further decline in the Government surplus is another significant feature of the income expenditure pattern likely to emerge in 1949. Assuming unchanged tax rates, gross government revenue would increase; indirect taxes as a result of the higher value of transactions and direct taxes as a result of higher incomes. But government transfer payments to individuals will also be higher, largely because of the repayment of the refundable portion of the 1943 and 1944 income tax, leaving the revenue available for expenditure on goods and services about the same as in the previous year. At the same time expenditure on goods and services may be higher by close to \$300 million, and the budgetary surplus therefore substantially reduced.

Part of the surplus is being used to finance accumulation of foreign exchange reserves as well as loans and grants to other countries and to the extent that it is so used it has no anti-inflationary effect. Even though the foreign balance to be financial in 1949 will probably be smaller than in the previous year, it will still be substantial. Assuming that the full amount of the current foreign balance is to be government - financed, the surplus of government revenue over total cash requirements may be lower than in 1948 by about \$175 million. The probable decline in the overall Government surplus, irrespective of tax reductions, is one of the important influences underlying the sustained level of demand anticipated in the private sector of the economy. If taxes are reduced, this would be a further contributing factor to the maintenance of effective consumer demand.

The Labour Force, Employment and Unemployment

The forecast of the labour force assumes no change in the proportion of the population seeking work. It takes account of the natural increase and the net gain from migration, giving about the same weight to both and making an increase of 120,000 persons in aggregate. The groups who are

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marginal members of the working force, - juveniles, elderly people and women- are fairly responsive to changes in the demand for labour, thereby easing the adjustment to seasonal and other fluctuations in demand. Immigration is of course also a response to a high demand for labour. The estimate of the labour force is therefore related to the expected level of economic activity.

It is assumed that the Armed Services will be close to target strength in 1949 which would reduce the increase in the civilian labour force to 114,000.

The anticipated increase in employment would be diffused over all the major industrial groups, except logging in which some decline will take place. Not much change is expected in agriculture where a readier supply of hired labour is apparently relieving the burden of work thrown on the farm family rather than serving as a net addition to the farm labour force. Employment in mining would continue to expand in response to the strong demand for metals and the new developments that are taking place in this field. Likewise in construction continuing expansion can be anticipated. In manufacturing a modest expansion would be the outcome of some reshuffling among particular manufacturing industries. The nature of these shifts and the variety of specific situations that give rise to them are described in the regional and industrial sections of the report. Nearly half the wage-earners are employed in service producing industries (as distinct from commodity producing industries), and in some of them, trade and communications being outstanding examples, employment has made notable gains in the past year. For the group as a whole employment may be expected to continue to increase, partly as a result of the effort to restore standards of service.

The volume of unemployment is subject to uncertainty from two directions in that the labour force itself is fluid in outline and employment may exceed or fall short of expectations. In spite of a continuing high level of economic activity unemployment may be expected to be higher than in 1948 for the following reasons: the curtailment in woods operations, (which will register itself chiefly in the winter months), the gradual resurgence of peacetime seasonal patterns, and finally the delay in accomplishing the shifts required by the varied and divergent trends in foreign and domestic demand for final products. It is to be expected that unemployment will be localized and somewhat altered in its regional incidence.

NEWFOUNDLAND

The present report applies to Canada as defined before the union with Newfoundland. The lack of basic data makes it impossible to extend the



quantitative forecast so as to include the tenth province. It would, however, be remiss to conclude a report on the economic outlook in Canada without making reference to the impact of the union on Newfoundland and on the nine provinces.

The union will add about 325,000 to the population of Canada and a proportionately smaller increment to national income. Per capita income in Newfoundland is significantly lower than in Canada and more unequally distributed. The union will add an area strategically located with reference to trade, air routes and defence and having a number of valuable natural resources:- fisheries, forests, minerals and water power. The economic problems of Newfoundland are broadly similar to those of some regions of Canada to the extent that it is heavily dependent on the export of a few primary products. Employment is seasonal and incomes are subject to wide fluctuations. Population outside the St. John's and Corner Brook areas is sparse and scattered in little settlements along the coast, which makes for high costs of transportation, distribution and administration. Its trading relations are mainly with Canada, the United Kingdom and the United States, although its fish sells widely in other markets. It is a net earner of U.S. dollars, partly in consequence of the existence of American Military bases. To the extent that Newfoundland's buying is diverted from American to Canadian sources of supply as a consequence of union, it's contribution to the reserves of the Foreign Exchange Control Board will be increased.

For the year ahead the outlook for sales of Newfoundland's fish is reasonably good in spite of some uncertainties centring principally on prices prevailing in the American market. Broadly similar considerations as in Canada apply to the outlook for exports of pulp and paper. Newfoundland exports copper, lead and zinc, and as in the Canadian base metal industry, the prospects for 1949 are excellent. A high level of activity in the Maritime steel industry assures that overwhelmingly important market for Newfoundland's iron ore in the coming year.

The small secondary manufacturing industries, having grown up under the protection of high import duties, face a difficult period of adjustment now that Canadian goods (at appreciably lower prices) can compete freely in the Newfoundland market. Their costs are high because the small scale of operations and the wide range of products has discouraged the use of specialized machinery and the acquisition of special skills. In order to cushion the transition for the industries most seriously affected, the Canadian Government has agreed to give special consideration to Newfoundland in placing



orders for Government departments. Some of the secondary manufacturing industries and services industries generally will benefit from the notable improvement in the purchasing power of low income groups that will accompany a fall in the price of consumer goods and the receipt of family allowances and veterans' benefits.

With good prospects for its basic export industries, and the more favourable income - price relationships that will exist in the local market as a result of the union with Canada, the overall economic outlook for Newfoundland in the first year of Confederation is bright.

From the point of view of Canadian business, Newfoundland will add a small but growing market for consumer goods and perhaps also for producer goods. Newfoundland will tend to buy more from Canada and less from the United States and at the same time consumption will be rising in consequence of higher real income.

The Federal Government undertakes to make payments to the Government of the new province amounting to more than \$8 million in the first year of the union, and to extend social security and veterans' benefits to the people. It is also undertaking to embark on a programme of public works, a part of which may get under way before the year is over. All of this will represent a significant addition to the outlay of the Federal Treasury.



Part III

INDUSTRIAL OUTLOOK, CANADA, 1949

Introduction

This section reviews the industrial impact of the market forces already discussed and appraises the contribution of each industry toward the overall level of activity.

The conclusions of earlier sections suggest that in 1949 demand will be adequate to absorb the slightly increased production potential of the economy. It is expected that demand will be maintained not only in overall terms but also within each of the principal market sectors. Under these conditions there should be no major change in the pattern of industrial activity. Nevertheless certain shifts of emphasis are significant with respect to the degree of activity to be expected in different industries.

With indications of a levelling in investment requirements, the pressure for expanded production in capital goods industries should tend to subside. Nevertheless construction requirements, which constitute that part of the investment programme with the largest domestic content, are expected to be moderately higher. Moreover, as regards investment in machinery and equipment, domestic sources of supply are becoming increasingly important. Thus even though anticipated purchases of capital equipment are lower in real terms, production in Canadian plants may continue at the same or possibly higher levels.

The expectation of a larger volume of sales to consumers and also to government will bolster activity in the many industries primarily dependent upon these outlets. In particular the improvement in real earnings, accompanying the levelling trend in living costs, should permit a strengthening of demand in semi-luxury or semi-durable industries that have hitherto been squeezed by sharply rising cost of essentials. To some extent these renewed demands may be met from imports particularly if present restrictions are relaxed significantly.

Softening demand in certain segments of the foreign market is likely to account for the principal points of weakness in 1949. With the continuing shortage of hard currency and the improvement in world production, an increasing number of commodities are coming into surplus supply; in some instances substantial price adjustments have already taken place. Certain primary and processed products based on agriculture, fisheries and forestry are the industries most seriously affected. Some manufacturing industries

THE

CONSTITUTION

OF THE UNITED STATES OF AMERICA

As amended by the Seventeenth Amendment

Approved by the Senate and House of Representatives of the United States of America in Congress assembled, September 12, 1787.

IN CONGRESS, September 12, 1787.

Resolved, That the following Constitution be established, to wit: We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquillity, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do hereby ordain and establish this Constitution for the United States of America.

SECTION 1. All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

SECTION 2. The House of Representatives shall be composed of Members chosen every second Year by the People of the several States, and the Electors in each State shall have the Qualifications requisite for Electors of the most numerous Branch of the State Legislature.

SECTION 3. The Senate of the United States shall be composed of two Senators from each State, chosen by the Legislature thereof, for a Term of six Years; and they shall have the same Qualifications as the Representatives of the People.

SECTION 4. The Electors in each State shall have the Qualifications requisite for Electors of the most numerous Branch of the State Legislature.

SECTION 5. The House of Representatives may, from time to time, elect and appoint a Speaker, and other Officers, who shall hold their Offices for one Year, and may be re-elected.

SECTION 6. The Senate shall elect and appoint a President pro tempore, and other Officers, who shall hold their Offices for one Year, and may be re-elected.

SECTION 7. The House of Representatives shall choose their Speaker and other Officers, and may determine the Rules of their Proceedings.

SECTION 8. The Senate shall choose their President pro tempore and other Officers, and may determine the Rules of their Proceedings.

SECTION 9. The House of Representatives shall be held in one or more Cities, which shall be designated by the House of Representatives.

SECTION 10. The Senate shall be held in one or more Cities, which shall be designated by the Senate.

SECTION 11. The House of Representatives shall have the sole Power of Impeachment.

SECTION 12. The Senate shall have the sole Power to try all Impeachments, when sitting for that Purpose, and may, by a two thirds Vote, remove any Officer convicted of Impeachment.

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are also faced with declining foreign sales, although in most of these instances a strong domestic demand acts as an off-setting factor. However, this weakening of demand is not generally characteristic of the foreign market since certain export industries can be expected to remain among the most active in the economy.

In 1949 supply limitations will be less important in determining the composition of national production than in recent years. Where these are expected to continue they are discussed in the appropriate sections.

The implications of these influences upon the principal Canadian industries are reviewed in the following sections.

Agriculture

Deterioration in markets affects agriculture in the form of lower incomes rather than lower production. Foreign agricultural prices have declined markedly during the past year. Since Canadian prices were already well below world levels, the decline in the domestic market has been much more moderate. In fact the Canadian wheat price has moved contrary to the general trend, the initial payment only recently having been increased from \$1.55 to \$1.75 per bushel.

Output of the principal secondary products in 1949 may be scarcely adequate to meet existing demands. Hog marketings during the first two months are below those of a year ago and a sharp reversal of this trend will be necessary during the latter part of the year if the United Kingdom contract of 160 million pounds is to be met. Canadian beef herds were thinned considerably in the course of the heavy shipments to the United States last fall. Even though American beef prices are likely to recover from their recent decline, in the next few months it would seem that any considerable volume of exports from Canada could be achieved only by further liquidation of farm stocks. Nor is it expected that milk production will be adequate to fill the United Kingdom cheese contract, in addition to meeting domestic requirements of fluid milk and other products. Alone of the principal secondary items, poultry products are in relatively ample supply.

On the other hand, grains have moved into good supply on the world market and Canada is threatened with increased carryovers at the end of the present crop year. Nevertheless so long as meat and dairy products remain scarce, coarse grain production can be profitably used for domestic feeding. Irrespective of the size of the wheat carryover, the initial price to the farmer can be expected to remain unchanged beyond the present year.

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Other more specialized items, such as tobacco, sugar beets and vegetables, are produced mainly for domestic consumption. The market for these products can be expected to remain firm, except in the event of unusually large crops such as occurred this past year in the case of potatoes and certain canning crops. The loss of the overseas market for Nova Scotia apples and British Columbia small fruits has already exerted its major impact and no improvement in this condition is foreseen during the coming year.

In spite of the uncertain world market situation Canadian agriculture can look forward to a reasonably prosperous year. The existing structure of farm prices is likely to encourage a shift towards wheat, meat and dairy production in 1949. For the time being domestic prices for these products should remain firm. Moreover, in the event of sharp prices declines for other products price supports can be brought into effect. So far as 1949 is concerned, Canadian agricultural income seems well insulated against the uncertainty of world market conditions.

Food Processing

Declining overseas markets, reduced domestic supplies of farm products, and high inventories are the principal factors likely to restrict activity in the Canadian food processing industries in the coming year.

Flour mill production in 1948 was limited by the short supply of wheat. In 1949, with adequate quantities of wheat on hand, foreign demand has largely disappeared. The clause in the Economic Cooperation Act providing for the sale of one quarter of American wheat exports in the form of flour has no doubt restricted Canadian sales. Moreover, the general effect of the hard currency shortage is to encourage the purchase of raw as opposed to processed materials. As a result, flour mills will probably be operating well below capacity throughout 1949.

Decreased livestock marketings, especially during the first part of the year, will constitute the principal factor limiting activity in the meat-packing industry during 1949. Moreover, the lifting of the embargo on beef exports to the United States has had the effect of substituting live cattle exports for dressed meat. Declining sales abroad have greatly reduced output of canned meats and lard although it is anticipated that foreign sales may pick up later in the year.

Milk production in 1949 is not likely to permit an increase in the output of processed items such as butter and cheese. Consequently, the supply will probably be inadequate to meet combined domestic and foreign requirements.

A record pack of canned vegetables was achieved in 1948. Prices are low and the carryover into 1949 will be large. The fruit crop was also abundant, although import restrictions have had a temporary sustaining influence. No new foreign markets are in sight. Therefore, this year's acreages are expected to be lower and cannery output will be correspondingly reduced.

Fish Products

A major problem looming ahead for this industry is the marketing of the 1949 salmon catch. This year the salmon run reaches a high point in its cycle and it is estimated that the pack may reach 1.6 to 1.8 million cases compared with 1.35 million cases in 1948. In addition, a carryover of some 200,000 cases is in prospect. Temporarily at least the industry is faced with almost the complete loss of the United Kingdom and British Empire market, which in normal peacetime years absorbed about 50 per cent of total production. A 25 per cent ad valorem tariff puts the American market for canned salmon out of reach. Even though substantially larger sales of fresh salmon to the United States are permitted, the big catch in prospect will probably entail sustained activity in the canning industry, with a greatly increased carryover at the end of the year.

Market prospects for other fish products are more favourable. The supply of fresh and frozen fish may remain about the same in 1949 as in the previous year. Nearly all of this type is sold in the domestic and American markets where demand should be fairly well sustained. However, somewhat lower meat prices in the United States, particularly toward the end of the year, may create a similar trend in the market for fish products.

With respect to cured varieties, purchases by the United States, the Caribbean, and the Mediterranean countries kept the market generally strong last year. No substantial change in this condition need be anticipated, particularly so far as sales in the dollar area are concerned.

In summary, prospects for the fish products industry in 1949 indicate a high level of activity, a larger carryover of canned varieties, and probably a moderate decline in prices during the latter part of the year.

Mining and Mineral Processing

Buoyant world markets, the development of new resources, and an improving labour supply brought a substantial increase in Canadian mineral production in 1948. This trend promises to continue into 1949.

Expenditure in the United States on capital equipment and on

THE HISTORY OF THE UNITED STATES

The history of the United States is a story of growth and change. From the first settlers to the present day, the nation has evolved through various stages of development. The early years were marked by exploration and settlement, followed by a period of rapid expansion and industrialization. The American Revolution and the Civil War were pivotal moments in the nation's history, shaping its identity and values.

CHAPTER I

The first chapter of the history of the United States is the story of the early settlers. These pioneers came to the New World in search of a better life, and they found it in the vast, uncharted lands of North America. They established small communities and began to build a new society, one that was based on the principles of freedom and democracy.

The second chapter of the history of the United States is the story of the American Revolution. This was a time of great struggle and sacrifice, as the colonies fought for their independence from British rule. The Revolution was a defining moment in the nation's history, and it led to the creation of a new government based on the principles of the Declaration of Independence.

The third chapter of the history of the United States is the story of the Civil War. This was a time of great conflict and division, as the nation fought to resolve the issue of slavery. The Civil War was a defining moment in the nation's history, and it led to the abolition of slavery and the creation of a new government based on the principles of equality and justice.

The fourth chapter of the history of the United States is the story of the Reconstruction era. This was a time of great change and growth, as the nation sought to rebuild itself after the Civil War. The Reconstruction era was a defining moment in the nation's history, and it led to the creation of a new government based on the principles of equality and justice.

The fifth chapter of the history of the United States is the story of the Gilded Age. This was a time of great wealth and power, as the nation experienced rapid industrialization and economic growth. The Gilded Age was a defining moment in the nation's history, and it led to the creation of a new government based on the principles of equality and justice.

The sixth chapter of the history of the United States is the story of the Progressive Era. This was a time of great reform and change, as the nation sought to address the social and economic problems of the Gilded Age. The Progressive Era was a defining moment in the nation's history, and it led to the creation of a new government based on the principles of equality and justice.

The seventh chapter of the history of the United States is the story of the Modern Era. This is a time of great change and growth, as the nation continues to evolve and develop. The Modern Era is a defining moment in the nation's history, and it will lead to the creation of a new government based on the principles of equality and justice.

some consumer durable goods may slacken off moderately this year. Nevertheless, in view of the government stock-piling programme, the increasing tempo of re-armament, and the extensive equipment needs for European recovery, demand for base metals will probably be adequate to maintain the high prices now prevailing. With this favourable price level as a stimulus, Canadian production of base metals will likely show a further increase in the coming year. Available power will act as a limiting factor for aluminum, copper and nickel operations. On the other hand, labour supply can be expected to show continued improvement. This, in turn, will facilitate the expansion of operations and the development of new properties. The expectation of increased activity in base metal mines during the coming year is substantiated by the employment forecast of producers which indicate a moderate rise in the number of workers in the months ahead.

Although gold output has increased moderately since the war, activity in this industry has failed to return to prewar proportions because of the squeeze between a fixed price and rising costs. With present evidence pointing to a levelling off in costs and with more labour available a considerable increase in production in 1949, perhaps by something like 20 per cent over the previous year, is indicated. This increase will result in part from the opening of new mines and in part from further development of mines already in operation.

The Alberta oil boom is the most spectacular development in the Canadian mineral field. Since the discovery of the Leduc Field about two years ago crude oil production in Canada has roughly doubled and presently constitutes close to 20 per cent of the crude requirements of the domestic market. However, Western output is rapidly approaching the point of meeting the needs of the Prairie market. Beyond this any further increase in production must await the construction of pipe lines that would widen the market. This, in turn, may depend on the confirmation of adequate proven resources. As a result crude oil production in 1949 may not increase substantially beyond the present level. Meanwhile, the development of new refinery capacity has proceeded throughout Canada. As a result domestic output of refinery products should be perceptibly higher in the coming year.

Elsewhere in the non-metallic field activity in 1949 is expected to remain about the same as in the previous year. Although the world demand for asbestos remains strong, it is considered unlikely that the industry could exceed the near capacity operation achieved in 1948. Moreover, the strike now in progress in the industry will adversely affect

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production this year. The coal mining industry, which produces largely for local domestic markets, should maintain at roughly an unchanged level of activity. Wage negotiations are now virtually completed for the current year and work stoppages are unlikely.

Forest Industries

The loss of some foreign markets for lumber at the end of 1947, together with the fact that the hitherto depleted mill inventories of pulpwood had been built up to satisfactory levels, initiated a gradual decline in logging operations which is still in progress. At the same time a more stable and experienced labour force was making for a perceptible improvement in output per worker. These factors continue to reduce the demand for labour in the logging industry and thereby contribute to higher levels of unemployment or lower levels of income in the winter months, particularly in those localities where labour normally moves from the farms, the fisheries and the construction industry into the logging camps.

The Canadian lumber industry normally exports nearly half its output, the main source of exports being the two coastal regions. The anticipated domestic construction programme appears to ensure a firm market at home, and the United Kingdom's purchases in the second half of the year will probably be on the same scale, unless financing difficulties intervene. Uncertainties therefore tend to converge on developments in the United States. These two countries are the principal export outlets.

The United Kingdom contracts for eastern seaboard lumber are higher than in 1948, although somewhat lower for pit props, but prices are moderately reduced and specifications more stringent. This implies a decline in income in the lumber industry and some loss of production and employment, largely at the expense of marginal mills. So far as western seaboard lumber is concerned the present contracts carry to the middle of 1949. Thereafter, the British might be compelled to finance their purchases of Canadian lumber out of their own resources instead of out of E.C.A. funds, and in that event new contracts might be on a reduced scale. Although operators are favourably placed to compete in the low-tariff American market, any substantial loss of traditional markets in the United Kingdom would mean a major re-adjustment for the West Coast lumber industry.

At the same time present indications point to a high level of construction activity in the United States this year. Although housing construction reached a peak in 1948, the number of housing units built did not much surpass the previous peak in 1925, when the population was smaller and



when there was no similar accumulation of need carried over from war and depression. However, there are indications that the housing market in the United States is saturated at present levels of building costs and prices. But as building costs shade off and incomes are sustained it may be expected that there will be a resurgence of housing activity. A high level of construction activity in the United States would firm the American demand for Canadian lumber and at the same time as it would encourage a more sympathetic attitude toward making E.C.A. funds available to maintain the United Kingdom contracts at about the present level.

In spite of these uncertainties, it may be concluded that the outlook for the lumber industry is for a decline in production from about 5.2 billion board feet to 5.1 billion board feet this year, affecting largely mills whose financial position is weak or whose facilities are not readily adapted to meeting more exacting specifications.

In the other major export item, namely newsprint, demand and prices are expected to remain substantially unchanged. The newsprint industry, in spite of the heavy investment that has gone on since the war, has made only an insignificant addition to total capacity. Gently rising levels of output accrue from more efficient operations and better equipment and tend to be associated with a slight falling off in employment.

On the other hand, new capacity for the production of pulps has been built and some new mills will come into production in the course of the year. The new capacity is largely in chemical pulps for which new uses are being developed. The United States depends mainly on domestic sources of supply for pulp. Imports from Canada were considerably increased during the period when imports from Scandinavia were not available. Scandinavian producers, who are potentially capable of exporting to the United States about 1/3 as much as Canada now exports, are attempting to regain their lost market, and are making their prices competitive with those quoted by Canadian and American mills. Although Canadian production is likely to be maintained in aggregate, output of some types and grades will probably decline and prices will probably drop, particularly toward the end of the year.

Building Materials

During 1948 domestic production of nearly all building materials increased considerably. The most important gains were in heating and plumbing supplies, enamelled sanitary ware, cement and gypsum products, the items most consistently short in 1947. In some instances supply caught up with demand, e.g. certain roofing and insulating products, and productive capacity was not

fully utilized. With a few notable exceptions imports of building materials were lower, so that the evident improvement in supply is attributable to increased domestic output. Nevertheless many building materials remained scarce throughout the year. The notable shortages were in items having an iron or steel content, that is, cast iron water pipe and fittings, enamelled sanitary ware, warm-air furnaces, nails, steel pipe, tubes and fittings, some types of builders hardware and electrical wiring devices. Cement, cement pipe, building brick, vitrified clay sewer pipe and flue linings, and gypsum wall-board and lath were also scarce. The supply of other building materials was either adequate or abundant.

Continuing improvement in supply is expected in 1949, either as a result of smoother operation or from capacity that came into production during the course of 1948. Few additions to plant capacity are being made. However, iron and steel items, cement, clay and gypsum products are expected to remain scarce. No significant increase in the output of nails and steel pipe and fittings is expected in 1949 and output of hot water storage tanks is expected to fall as much as 10 per cent owing to scarcity of sheet steel. Generally speaking, some improvement is expected in items made from foundry iron but little or none in items made from rolled steel. The pattern of production of iron and steel building materials may be varied within the year as warranted by conditions of supply and demand and sometimes under Government direction. The recent relaxation of import controls on sanitary ware and heating equipment will contribute to additional supplies of these items. Production of cement, concrete brick and blocks, bulk rock wool and asphalt shingles is expected to increase by between 10 and 20 per cent and of structural tile and gypsum lath by about 5 to 10 per cent. The improvement expected is thus uneven and the shortage of building materials is not going to be completely overcome this year.

The Iron & Steel Industry

During 1948 Canadian production of pig iron rose by about 8 per cent and production of steel ingots and castings by about 9 per cent, in spite of the poor quality of raw materials, the need to repair furnaces, and the persisting shortage of scrap. This was accomplished by maximum use of existing capacity and some improvements in technique. Canada depends on foreign sources of supply to the extent of about 1/3 of its total steel requirements and is even more dependent where particular types of steel are concerned. Since imported steel increased by only about 4 per cent, it is apparent that the domestic industry was responsible for the major part of the modest

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improvement in supply that took place during the course of the year. The foundries were able to obtain about the same amount of pig iron from domestic production as in 1947 and the flow of scrap increased. There were significant increases in the supply of many of the steel forms that had been most scarce - structurals by about 2 per cent, plates 4 per cent, pipes and tubes 25 per cent and galvanized sheet 10 per cent, in spite of a diminished or unchanged flow of imports.

Domestic production of iron & steel may be expected to increase slightly in 1949, although not so much as in the previous year. In the case of pig iron fewer furnace repairs will be required and steel production should benefit from greater scrap supplies from abroad. The new cold rolled sheet and strip mill at Hamilton that came into production late last year will permit a more diversified output of rolling mill products.

The uncertainty on the supply side centres on imports. The United States is unwilling to export scarce steel to Canada but it is probable that the shortage of steel in the United States will ease in the latter part of the year. Meanwhile more imports will be available from overseas sources so that on balance imports will be available to at least the same extent as last year. On the whole total domestic supply of steel in 1949 should be slightly greater than in 1948.

The Steel-Using Industries

The prospects for the major steel-using industries differ appreciably. With an almost insatiable market at home and firm markets abroad the agricultural implement industry expanded employment and production sharply in 1948, although facilities were not fully utilized because of the shortage of steel. Manufacturers' intentions indicate a continuing expansion in 1949, although at a slackening rate. In the light of the present and prospective financial position of the farming community, expectations of good markets for farm implements seem fully warranted. Being closely integrated with its American counterpart, the agricultural implement industry appears to enjoy certain advantages where access to imported steel is concerned. The railway rolling stock industry also had a very good year in 1948 and has orders for export and for the rehabilitation of Canadian railways that carry forward into 1950. Not all firms in the industry are so fortunately placed, but in the main a shortage of steel rather than a deficiency in orders is the principal problem.

In the automotive industry not only is steel basic and restricted in supply but the outlay of U.S. dollars for components is strictly regulated.

These limitations, extending through 1949, will tend to keep the volume of production on about the same scale as in 1948. The industry's export outlets have been drastically curtailed by the dollar shortage and it is increasingly dependent on the domestic market in which the apparent demand for medium and low-priced cars is still running far ahead of deliveries.

The domestic demand for new types of machinery and additional equipment for the expansion of existing plant is still sufficient to keep most machinery building firms operating at capacity through 1949. Exports are falling off owing to the dollar shortage but supplies are being diverted to the domestic market without any obvious weakness becoming apparent.

While shipbuilding has been seriously hampered in the post-war period by the shortage of steel plate, nevertheless most foreign contracts on which Canadian yards are now working will be completed early in 1949 and no further foreign business is in sight. Only one yard has sufficient orders on its books to warrant a high level of activity through the year. While some domestic orders for special craft will probably be forthcoming in the course of the year, activity in shipbuilding can be expected to continue to decline.

In respect of the capital goods content of its output the electrical apparatus industry has not been seriously limited by lack of steel. The utilities programme in itself underwrites the demand for heavy electrical machinery and communications equipment for some time to come. However, some items, for example small electric motors, are now in good supply. A somewhat similar situation exists with respect to the demand for consumer type goods but the supply of raw materials, particularly sheet steel, has been a serious limiting factor in this field. While it is difficult to generalize about so complex an industry, somewhat increased production and employment and some shifts in the structure of output appears to be the outlook for the electrical apparatus industry in 1949.

The Textile Industry

The imposition of import restrictions late in 1947 created special stimulants to the expansion of employment and production in the textile industry. By the same token it caused important gaps in the supply of consumer goods which registered themselves in sharp upward pressure on prices. The various sections of the industry were unequally affected. The supply of cotton textiles was drastically curtailed, the supply of rayon goods much less so, whereas the more rapid recovery of British exports of woollens, supplementing

mounting domestic production, had brought about competitive conditions in the wool trade by the end of 1948. The outlook for 1949 is correspondingly varied.

The principal uncertainty in cotton textiles is the availability of imported fabric at prices acceptable to the Canadian buyer. Presently Canadian prices tend to be somewhere below United Kingdom prices but above American prices. The situation is highly artificial and also perhaps in the longer-run highly vulnerable, not only in that American imports are effectively limited by the quotas but that the tariff is virtually suspended. Meanwhile, the Canadian industry, expanding in the face of labour shortages and high prices for equipment, is building up a high cost structure. Assuming that present quota restrictions are not materially modified, British imports would increase in 1949; quality textiles are increasingly available from other European countries; and any drop in American prices would mean a corresponding increase in the volume of imports from this source. At the same time the domestic demand for cotton textiles, constrained as it has been in the recent past by sharply rising prices, should respond to lower prices and is supported by high and rising incomes. In these circumstances the adjustments required by the increasing availability of imports should be accomplished without dislocation this year.

The rayon industry has the advantage of being a comparatively new industry which is still making gains at the expense of industries based on natural fibres. Its relatively stable price, within the reach of the mass of consumers, is a further advantage. The industry normally supplies about 80 per cent of the requirements of the domestic market. It faces no special problem this year. Domestic production of woollen piece goods is likely to recede from the record levels of the past two years as the United Kingdom and other European countries continue to regain their former position as major suppliers to the Canadian market.

The prospects of the primary textile industry as a whole are reasonably good since the adjustments it will be obliged to make in 1949 will take place in a relatively favourable economic climate. In some situations adjustment can be made by cutting costs and reducing profit margins. Production and employment will be expanding in some segments, if contracting in others. Meanwhile, the consumer gets the benefit of better prices and a wider range of choice.

The clothing industries perhaps deserve some mention, although if the anticipations of high and rising incomes are realized the domestic

market should remain firm, even if more competitive than in the past few years. The few foreign markets the clothing industry has developed, mainly in sterling area countries, have already largely disappeared as a result of dollar shortage. However, this does not necessitate any major re-adjustment.

Other Commodity Producing Industries

The leather industry has already experienced the loss of fairly important export markets in the West Indies and for some time has confronted a domestic market that is selective, price conscious and geared to recurring requirements. This involved a decline in employment in the industry which now appears to have stabilized at a point somewhat below the early post-war peak. The decline in the selling price of hides over the past year was to the advantage of the leather manufacturers. A new factor in the outlook for this industry is the market that may be developed in Newfoundland.

The rubber industry has likewise already experienced a period of re-adjustment involving a considerable loss in employment during the past year. The rubber footwear sections of the industry were particularly affected by the fact that deferred needs had been quickly met and export markets were increasingly restricted. The tire section of the industry is of course, indirectly affected by the factors that inhibit the expansion of Canadian automotive production; the process of catching up on the backlog of demand both at home and abroad is over in respect of passenger tires and well advanced in respect of heavy tires, and in addition export markets are restricted. The industry is therefore also stabilizing at a lower level than in the immediate postwar period so far as its main products are concerned although the potentialities of new products and new processes have still to be explored and developed.

Consumer goods industries such as tobacco and beverages face no special problems, either in the domestic market or in export markets.

Service Industries

The post-war boom, following close on a rapid industrial expansion whose pattern was dictated by war-time needs, revealed serious gaps in the nation's facilities for servicing an economy operating at an unprecedentedly high level of peacetime activity. Some of these deficiencies are clearly apparent, notably the lack of adequate hydro-electric power facilities; others are hidden in a deterioration in the quality of service available to consumers. So far as many community facilities are concerned, the

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References

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- 1. Smith, J. (2010). The importance of the study. *Journal of Research*, 15(2), 123-135.
- 2. Jones, A. (2011). The methodology used in the study. *Methodology*, 16(1), 45-55.
- 3. Brown, C. (2012). The results of the study. *Results*, 17(3), 210-220.
- 4. White, D. (2013). The implications of the study. *Implications*, 18(4), 300-310.

Appendix

The appendix section of the paper contains supplementary material. It includes a list of tables and figures. The appendix is as follows:

- 1. Table 1: A table showing the data collected during the study. It includes columns for the variables and the values.
- 2. Figure 1: A graph showing the results of the study. It includes a title, axes, and data points.
- 3. Table 2: A table showing the results of the study. It includes columns for the variables and the values.
- 4. Figure 2: A graph showing the results of the study. It includes a title, axes, and data points.

Conclusion

The conclusion section of the paper summarizes the findings of the study. It includes a description of the results and the conclusions drawn from the study. The conclusion is as follows:

The study has shown that the methodology used in the study is effective. The results of the study are consistent with the findings of previous studies. The implications of the study are significant. The recommendations for future research are as follows:

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deficiencies largely have their origin in the tremendous population shifts of the war and post-war period and in a recent rate of population growth more rapid than this country has known in two decades.

The effort to expand facilities and to improve services is reflected in the past and prospective capital expenditures by utilities, commercial and financial organizations, institutions, and provincial and municipal governments. The effect of this development on employment, although somewhat obscured in the aggregate, is clearly apparent in the employment statistics of particular service industries. Between 1947 and 1948 employment in central electric stations rose 16 per cent, in telephone communications 8 per cent, in trade 7 per cent, in finance 5 per cent, and in public or community service 15 per cent. With the emphasis in the investment programme shifting away from manufacturing and to a lesser extent from primary industries, a growing portion of new employment opportunities will be forthcoming in the service industries. This development, already apparent, will continue through 1949.

This is in accordance with the cyclical pattern shown in past historical relationships, a pattern which is accentuated by the sequence of depression, war and post-war boom. It is in keeping with the secular trend whereby a complex, industrialized, high standard of life economy tends to allocate an increasing proportion of its resources to the performance of services rather than the production of goods.

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PART IV

REGIONAL OUTLOOK, CANADA, 1949

THE MARITIMES

The Structure of the Regional Economy

In general the three Maritime Provinces have shared similar economic conditions. Advantageous position in regard to world trade, resources of fish and forest, and resources of coal conveniently close to Newfoundland's iron ore, determined their structure. But as the growth of Canadian industry and population proceeded in a westerly direction, the Maritimes increasingly found themselves outside the main stream of national development. The result has been a steady outflow of population and a lower standard of living, even if a more stable one, than that of other regions.

Maritime agriculture, while characterized by such specialized products as apples in Nova Scotia, and potatoes in the other two provinces, has nevertheless a preponderance of small mixed farms with the owners supplementing their incomes with part-time employment in fishing or in the woods.

In forestry, largely concentrated in New Brunswick, the measure of activity has been the availability of external markets, mainly the United Kingdom and other Commonwealth countries. The peculiar requirements of these markets have been such as to discourage production of finished lumber and specialized lumber products. Hence the Maritime lumber industry finds it difficult to adapt its output to other foreign markets with more specialized needs, of which the United States is presently the most important. Pulp and paper production is an important industry, with a favourable cost factor due to location and low-cost labour in the agricultural off seasons.

In fisheries the region's proportion of national production is normally more than one third, although this proportion was enlarged during the war. By far the larger part of fish production is sold to foreign markets, in particular the United States, although there were strong markets for salt cod in the Mediterranean and Carribean countries prior to the emergence of the exchange problem.

The Maritimes' only important mineral resource is coal, close to 40 per cent of Canada's entire output being extracted in this region. In Nova Scotia, where the mines are chiefly concentrated, coal mining is second only to agriculture in numbers employed. In addition to its complementary relation with the local steel industry, Maritime coal is normally shipped to Quebec in considerable volume.

THE HISTORY OF THE

REIGN OF

CHARLES THE FIRST

By Sir Samuel Purchas
Knt. of the Bath
Author of the Pilgrimes
His Majesties Historiographer
Under the Kings of Great Brittain
James the First and Six
Charles the First
London Printed by I. Bladwell
at the Signe of the Gunne in St. Dunstons Church
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Dependent on the extensive coal deposits in Nova Scotia is a primary processing of iron and steel, in turn, serving as a base to important fabricating industries such as railway rolling stock and shipbuilding. Most of the other important manufacturing industries, fish packing, saw-milling and pulp and paper, are based on local natural resources.

The Maritimes in 1948

In 1948 the Maritimes did not fully share in the prosperity that prevailed elsewhere in Canada. The rate of unemployment was higher and the increase in retail sales lower than in any other region. When at the end of 1947 the United Kingdom drastically curtailed its contracts to purchase Maritime lumber, there was an immediate decline in activity in logging and lumber, in spite of some increase in exports to the United States. The fish catch was generally good but some of the less important overseas markets were lost because of the dollar shortage. The potato crop in Central Canada and the United States was abnormally large, thereby curtailing the usual outlets for Maritime potatoes. In spite of a poor crop, the problem of marketing apples in the absence of purchases by the United Kingdom, became so acute as to require the intervention of the Federal Government. Nevertheless industries selling in the regional or national market or exporting to hard currency areas were generally active. Coal production was high and labour relations good. Primary iron and steel operated most of the year at close to capacity and above the 1947 level. Shipbuilding, while hampered by supply problems, was active at Halifax and shipping repairs at Saint John were maintained.

Regional Investment in 1949

To a large extent the forces calling forth an increased capital expenditure in 1948 will still be influential in the current year. In manufacturing industries as a whole proposed expenditures are well below last year's peak, although the programmes of the regionally important iron and steel and transportation equipment industries are still rising. The utilities programmes are still heavy but they fall a little short of last year's total in dollar terms. A strong element in the investment outlook is outlay on housing which is expected to be somewhat higher in real terms. Provincial outlays may be slightly below 1948, while municipal expenditures remain much the same.

The Outlook by Industries

Maritime agricultural income in 1949 is expected to be slightly lower than in 1948 when marketings of livestock were taking place on a scale that cannot be sustained through 1949. Assuming only an average potato crop in



the Maritimes and elsewhere on this continent, and a consequent improvement in price (which fell 40 per cent between 1947 and 1948) income from this source would improve moderately. An average crop of apples would imply some increase in income to the growers if the Government continues its support of prices. The inclusion of Newfoundland in Canada may increase the market for Maritime farm products.

The prospects for the Maritime forestry industries indicate reasonably well sustained activity in sawmill and related logging operations, sustained operations in newsprint, but a considerable curtailment of the pulpwood cut. It is expected that lumber production will show no great change in 1949, as compared with an 18 per cent decline in 1948. United Kingdom contracts for soft lumber are increased by about 50 per cent in volume, but there will be smaller purchases of pit props. Whereas last year the American market was able to absorb much of the mill-run output in excess of domestic needs, this year it is already evident that this market will be more selective. Some of the small scale Maritime operators are likely to continue to experience difficulty in adjusting to a more competitive market.

As in other regions, there will be less cutting for pulpwood on company limits. The decline in logging operations will be partly reflected in unemployment and partly in the lower incomes of fishermen and farmers who turn to logging in their off-seasons.

Although there are the obvious uncertainties of the size of the catch the absorptive capacity of the American market, and finally the level of production of Norwegian and Icelandic competitors, it is not expected that there will be any serious decline in income from the fisheries in 1949.

Cod, the principal income source for Maritime fisheries, in fresh and frozen form moves primarily into the American market. The present level of imports should be maintained, although present high prices may soften toward the end of the year. Lobster fishing is closely regulated and controlled and the catch in 1949 is expected to be about the same as in 1948. This product is also largely for consumption in the United States and income from the lobster catch depends on high levels of income in that country. In 1948 prices of dried, salted and pickled fish, mainly cod, were favourable, largely because of the small Norwegian catch. The outlook at present is uncertain, with prospects such as to indicate a smaller income from this source in 1949. Export markets for canned herring having virtually disappeared, the disposal of this fish as oil and meal becomes increasingly important. Assuming the softening in price recently evident in vegetable oils

spreads to fish oils during 1949, income from the herring fisheries may be well below the 1948 level.

A new wage settlement involving a relatively small increase in wage rates was recently effected in the Maritime coal industry and it may be expected that labour relations will be amicable for the rest of the year. With high industrial activity continuing through 1949 output will probably be maintained at the high level of last year.

A slight increase in production is expected in the primary iron and steel industry, in which an extensive programme of replacement and modernization is now under way. In railway rolling stock and other steel fabrication in the Trenton - New Glasgow and Amherst areas not much change is expected in the first half of the year but beyond that the outlook is more uncertain. Operations in a number of firms in these and other areas are being stimulated by requirements of the new washing machine plant recently established at Amherst. Shipbuilding in Halifax is likely to continue at last year's reduced levels, while ship repair in Saint John is likely to decline. The prospects are for not much change in employment in other Maritime manufacturing industries.

Activity in transportation may be slightly enhanced by an increase in grain shipments and continuing recovery of imports from soft currency areas. Tourism, benefiting from an extensive promotional campaign sponsored by the provincial governments, may also yield a greater income than in 1948.

Conclusion

Employment in the Maritimes, particularly during the winter, may fall a little short of 1948 levels, principally as a result of declining activity in logging operations. Employment in construction should increase somewhat and in manufacturing it may be a little higher. Although unemployment can be expected to continue higher than that prevailing in other regions, the burden will not be materially heavier than last year.

The pattern of unemployment pockets which has appeared since the war is likely to be somewhat modified in 1949, and in some of these localities unemployment may decline slightly. Conditions in Prince Edward Island are not likely to change much, while New Brunswick, having a greater dependence on the processing of forest resources, will bear a larger share of unemployment. In Nova Scotia, prospects are relatively brighter, even though unemployment can be expected to continue at a higher level than in any other Canadian Province.

The first part of the document discusses the importance of maintaining accurate records of all transactions and the role of the accounting department in ensuring the integrity of the financial statements. It also highlights the need for regular audits and the importance of transparency in financial reporting.

The second part of the document focuses on the implementation of internal controls and the role of the internal audit function. It discusses the various types of internal controls and the importance of a strong internal control system in preventing fraud and errors.

The third part of the document addresses the challenges faced by organizations in managing their financial resources and the importance of effective financial management. It discusses the various financial management techniques and the importance of a strong financial management system in ensuring the long-term success of the organization.

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QUEBEC

The Structure of the Regional Economy

The economy of Quebec is less diversified as to output and less diversified as to markets than the economy of Ontario. Extensive resources of timber and minerals served as a base for the growth of the extractive industries and an abundant supply of water power fostered a considerable regional concentration of the related processing industries. These industries must find their main outlets in foreign markets and are becoming increasingly oriented toward the United States. In textiles and clothing, in boots and shoes, tobacco, electrical goods and chemicals, there is also a considerable concentration in this region; the output of these industries is directed toward the national market. The metal fabricating industries likewise look to the national market to absorb machinery and a few durable consumer goods, but within this group heavy transportation equipment - railway motive power and rolling stock, ships and aircraft - has acquired a new importance in the post-war period and is presently sustained in part by export orders. Quebec agriculture produces dairy and livestock products in excess of regional needs and looks to markets abroad as well as in other parts of Canada to absorb the surplus.

Many Quebec localities are heavily dependent on a single industry or a narrow range of industries. The labour force is perhaps less mobile than in some other regions. Adjustment to changing conditions therefore tends to create persisting pockets of unemployment in spite of a generally high demand for labour. At the same time the rate of growth in the regional labour supply is relatively high.

Quebec in 1948

The expansion of economic activity in Quebec during 1948 lagged a little behind the Canadian average. Employment did not rise quite so much, the rate of unemployment was slightly higher and retail sales failed to achieve the gains registered for the country as a whole. Regional investment activity as evidenced by construction indices also fell behind. These developments can be explained in terms of the structure of the regional economy. Forestry and related processing industries, in spite of generally firm markets and rising prices for their principal products, was not expanding facilities and employment at the processing stage and at the same time they were curtailing operations in the woods. On the other hand, mining and its related processing industries were in an expanding phase, but refining

The first part of the paper discusses the importance of the study of the history of the United States. It is argued that a knowledge of the past is essential for a full understanding of the present. The author then goes on to discuss the various factors which have shaped the development of the United States, including the influence of the British, the Spanish, and the French. The author also discusses the role of the American people in the development of the country, and the importance of the American Revolution. The paper concludes by discussing the future of the United States, and the role of the American people in shaping that future.

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operations were hampered and interrupted by a shortage of power. Significant increases in the textile industry, under the stimulus of import restrictions, contrast with small losses in leather, rubber and some other soft consumer goods industries. Lack of adequate supplies of steel was a constraining influence in railway rolling stock and a major adverse influence in ship-building. Meanwhile, activity in the aircraft industry was stepped up appreciably. Gains were not so evenly distributed as in some other regions, and while the rate of unemployment declined during the year, it continued to be relatively high in some localities.

Regional Investment in 1949

The spending programmes of manufacturing industries indicate a notable falling off from the 1948 level. The only manufacturing industries which propose to spend more in 1949 are iron and steel, transportation equipment, clothing and tobacco. At the same time such regionally important industries as pulp and paper, textiles and non-ferrous metals still have heavy programmes under way. Declines are, however, apparent in the chemical and the electrical industry, as well as in wood and petroleum products and in non-metallic minerals. Foods and beverages are maintained.

The expansion of the primary industries is expected to go forward at much the same pace as last year, and gains in mining will compensate losses in woods operations. The need to bring servicing facilities up to the level required to support the present high rate of activity explains the continuing rise in programme of the telephone companies, and the extremely heavy programme of central electric stations. A rise of more than 25 per cent is thus predicted in the utilities sector, while there is evidence of an even sharper rise in the institutional sector. The volume of house-building activity may decline moderately, although a heavy carryover would suggest little change between the two years. Investment in the commercial sector is expected to show a slight rise in value terms.

A decline in Provincial Government expenditures is anticipated in 1949. Municipal budgets on the other hand are not expected to show much change. Federal expenditure will be moderately above the level of last year.

In total, it can be expected that construction may be a little lower in volume terms than last year, with a redistribution among the different sectors of the economy. Investment in machinery will follow a similar course. In view of the types of machinery produced locally, e.g., mining, hydro, pulp and paper, etc., the national total of proposed expenditures in



these fields are relevant in an appraisal of the regional outlook. The outlook for the Quebec engineering industries thus appears quite favourable.

The Outlook by Industries

The outlook for 1949 in the very important forest industries involves a moderate decline from the high level of activity in 1948. Mill inventories of pulpwood are ample both in Canada and the United States and the winter's woods operations are being considerably curtailed. This applies particularly to operations on company limits but it also affects farmers who cut for sale. Newsprint mills are expected to continue operating at capacity. The output of paper products, such as paperboard and carton containers, is expected to increase slightly, as Canadian production continues to replace imports. In the main the lumber industry meets regional needs, although the lower St. Lawrence and the Gaspé areas are particularly affected by the export situation. Supply and demand for lumber are coming into better balance, as evidenced by the weakness in the price of lower grades, but a continuing high level of construction will maintain a reasonably firm market for lumber.

On the other hand in the Quebec mineral industry there is every prospect of exceeding the record output of 1948. In spite of the shortage of power in the Arvida area, aluminum output is expected to rise about 7 per cent. The output of both mined and refined copper and zinc is also expected to increase appreciably. Two new base metal mines will come into operation in the course of the year, permitting a higher level of operations at the smelters. New gold mines are also coming into production and a 10 to 15 per cent increase in output is expected. Additional employment opportunities will be created by this continuing strong expansion in the metal industries. Work is going forward on two important new mineral developments, the Hollinger project and the Allard Lake project. Quebec is an important producer of a great variety of non-metallic minerals and continuing advances are expected in these fields.

The outlook for manufacturing industries (other than these discussed above) is mixed. The greatest diversity is in the field of transportation equipment. Continuing orders for the rehabilitation of domestic rail transport and a heavier volume of export orders will make for higher output and employment in this industry, although the shortage of steel prevents it operating at capacity. The local production of the diesel engine is a new development in Quebec industry. The smaller aircraft industry will also show a net gain over last year, as a result of the B.O.A.C. contract. On the other hand, the shipbuilding industry will continue to decline. Operations

are hampered and delayed by lack of steel and this in turn contributes to the difficulty of obtaining new orders. While the loss in shipbuilding will be at least fully compensated by the gains in other transportation equipment, nevertheless this shift has unfavourable implications for certain localities.

Structural steel and engineering industries show signs of stability with declines in some types of machinery being offset by increases in others. Hydro equipment (turbine and waterwheels) should be in good demand. The region's electrical apparatus industry specializes in communications equipment and a slight falling off in employment is anticipated, in reflection of improved productivity and a decline in the demand for radios, one of the few consumer items in its output.

Other manufacturing industries that might be mentioned are oil refining and chemicals. New capacity is coming into production and domestic output is tending to displace imports.

In primary cotton and rayon continuing expansion of output and employment is anticipated. On the supply side there still exists a scarcity of skilled labour at certain stages of processing. Import restrictions and the slow recovery of the British textile industry continue to foster the growth of the domestic primary textile industry. Meanwhile high employment and incomes and improving real earnings will support a modest expansion in the domestic consumption of textile products. It is therefore expected that Quebec's important clothing industries will expand slightly.

A sustained or slightly improved situation can also be expected in the leather and rubber footwear industries, in spite of the loss of export markets. The firmness of the domestic market for consumer goods, coupled with new free-entry market in Newfoundland, will support activity in these industries.

So far as other industries are concerned, the generally favourable outlook in the region itself and in the rest of Canada is expected to require a modest expansion of activity in transportation and communications, in trade and services and in the manufacturing industries serving local needs.

Net farm income in 1949 is expected to be about the same as in the previous year. Livestock production will benefit from good markets and attractive prices at home and abroad. While herds of beef cattle were drawn down by the end of 1948, the regionally more important dairy herds are not reduced in numbers and the decline in the price of feeding stuffs is a distinct gain to the dairy farmer.

Conclusion

It may be expected that employment in Quebec in 1949 will be slightly

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higher than in the previous year and unemployment also higher, particularly in the winter months. Increased unemployment will be largely associated with the lower level of activity in the logging industry and the decline in shipbuilding and increased employment with mining, manufacturing, trade and services.

The localized labour surpluses that have been so characteristic a feature of the regional labour market are expected to persist through 1949, although with some shift of incidence. The greater Quebec City area will be particularly affected by the decline in shipbuilding, whereas in Sorel prospects are now brighter by reason of greater activity in the shipyards and the volume of construction work related to the titanium project. The Gaspé and Rimouski areas will be adversely affected by the decline in woods operations. There should be no change at Three Rivers, Sherbrooke, Hull and Valleyfield, where there has been a substantial volume of unemployment. Gains in employment are expected in the Chicoutimi and Rouyn-Noranda areas as mining and smelting and refining operations continue to make rapid advances. Textile centres such as Drummondville should experience a modest increase in activity. In Montreal, where many regional and national influences converge on the labour market, the outlook is generally favourable.

ONTARIO

The Structure of the Regional Economy

The regional economy has two distinct aspects. In its northern fringes mining and forest operations are of paramount importance. Ontario is the leading mining area of Canada, the sole producer of nickel, platinum, magnesium and iron ore, and the source of more than half the gold output and large quantities of silver, cobalt and copper as well as a variety of the less important minerals. In forest operations Ontario ranks third among the regions, and second in pulp and paper. This part of the regional economy is geared to the export trade and is increasingly dependent on the American market.

The Southern part of the province is the most densely populated and prosperous area in the Dominion, its industry and agriculture both highly diversified, and with the output of factory and farm selling in a nation-wide market. The major part of the basic steel industry and an important part of the nation's metal fabricating facilities are located in Ontario. Virtually the whole of the agricultural implement industry is in this region and there is a heavy concentration of the durable consumer goods industries based on

The first part of the paper discusses the importance of the study and the objectives of the research. It also mentions the scope of the study and the limitations. The second part of the paper discusses the methodology used in the study. It includes the data collection methods and the analysis techniques. The third part of the paper discusses the results of the study. It includes the findings and the conclusions. The fourth part of the paper discusses the implications of the study. It includes the practical applications and the future research directions.

The study was conducted in a systematic and rigorous manner. The data was collected from a large sample of participants. The analysis was conducted using advanced statistical techniques. The results of the study are presented in a clear and concise manner. The findings of the study are discussed in detail. The conclusions of the study are based on the findings. The implications of the study are discussed in detail. The practical applications of the study are discussed in detail. The future research directions are discussed in detail.

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steel. There is also a good representation of soft consumer goods, both primary textiles and the garment trades, and extensive processing of locally grown farm produce.

The region depends heavily on American sources of supply not only for basic raw materials but for parts, components and fabricated items with which to supplement the output of its own not fully developed facilities. It is therefore exposed to an especially stimulating set of influences when there is a heavy demand for investment goods and consumer durables and at the same time an effort to divert demand from American to domestic sources of supply. While some of Ontario's manufacturing industries sell part of their output abroad, and to a large extent in the protected Empire market, nevertheless their primary concern is the absorptive capacity of the domestic market. Having these structural characteristics, in the circumstances of the post-war period Ontario has been exposed to little else but stimulating influences.

Ontario in 1948

The relatively favourable position of Ontario in a generally favourable setting is attested by most economic indicators. If employment is the measure, in 1948 it increased 3.5 per cent as compared with 2.8 per cent as the national average. If consumption is the measure, retail sales rose 13 per cent as against a national average of 11 per cent. If investment is the measure, the value of contracts awarded and employment in the construction industry both show significantly higher year to year differentials in Ontario than in Canada as a whole. In spite of the inflow of population there was a lower rate of unemployment than in the rest of Canada, as indeed there has been since the end of the war, and continuing complaints of labour shortages.

Employment and output in mining rose significantly in response to the strong external demand and the improved supply of labour to the mines. Logging and some of the related processing industries were more stable than in other regions.

In agriculture the significant development of 1948 was the better than average crop, in particular the very good crop of coarse grains. This diminished regional dependence on shipments of coarse grains from Western Canada and contributed to an appreciable improvement in the ratio between the price of feeding stuffs and finished animal products.

The Canadian import restrictions had few adverse effects on Ontario's manufacturing industries. Apart from some initial dislocation, employment was maintained or expanded during the course of the year as efforts were made to develop domestic sources of supply. So far as import restrictions imposed

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by other countries was concerned, the domestic market was willing and able to take an increased share of a larger output in those instances, e.g. automobiles, where Empire markets were closed to Canadian produce by reason of dollar shortage.

Regional Investment in 1949

Investment intentions in Ontario suggest that the physical volume of investment will be slightly higher in 1949 than last year. However, a distinct change in the investment pattern is apparent. Whereas the expansion of the region will continue at a faster rate than for the country as a whole, manufacturing industries in Ontario will experience a greater proportionate decline. The only manufacturing industries which plan to make higher expenditures in 1949 than in 1948 are iron and steel, transportation equipment, chemicals and electrical apparatus but heavy programmes are still under way in a number of other industries.

Again as in other regions, investment in woods operations is to drop sharply, but the planned increase in mining would raise the total for primary industries moderately above the level of last year. Expenditure by telephone companies and electric railways are slightly higher and by central electric stations very much higher. The gain for the utilities sector may come close to 20 per cent. Expenditures on housing are likewise expected to be appreciably higher. There is also evidence of a slight rise in expenditures in the commercial sector, and a very sharp rise in the institutional sector. Provincial and municipal estimates are only slightly higher than in 1948. Federal expenditures should however be moderately above last year's level. It is thus apparent that the construction industry will continue to be very prosperous in 1949, and activity will be higher in real terms. Investment in machinery will follow a somewhat similar course.

While regional investment is obviously important to regional prosperity, as the major producer of capital goods, Ontario is equally if not more concerned with national totals. The proposed expenditures on machinery and equipment are up only 3 per cent, which would imply a reduction of about 5 per cent in real terms. However, it is to be remembered that the large import content of such investment is declining, partly in reflection of the increasing maturity of Canadian industry, partly in response to the deliberate effort now being made to curtail imports from the United States. To the extent that this occurs, Ontario is perhaps the principal beneficiary. Another point that should be mentioned in discussing the prospects of this region is the expectation of continuing heavy purchases of farm machinery.

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The Outlook by Industries

Continuing expansion in output and to a lesser extent in employment is anticipated for all the principal minerals. It is expected that nickel output will be higher than last year by perhaps 4 per cent, which would be 10 per cent above that of 1947. Copper production likewise is expected to be up about 4 per cent and production of refined copper about twice as much. Output of iron ore is expected to reach or surpass the high level of 1947. In spite of fixed prices and rising costs, output of gold is likely to continue to expand at the same high rate as in the past year.

The vigorous expansion in forest industries reached its peak in 1947. Since then minor downward adjustments have been taking place in some segments of it. This process will extend through 1949. New capacity and additions to existing plants in the pulp and paper industry came into operation in 1948. The regional outlook for this industry does not differ from the national outlook - a more competitive and somewhat uncertain market in the United States for pulps and a firm and stable market for newsprint. Ontario's lumber output, sold largely in the regional market, should have adequate outlets although the deterioration in export prospects for the Canadian lumber industry as a whole may have some repercussions in Ontario.

Since Ontario has a larger and more diversified manufacturing industry than any other region, and one oriented toward the domestic market, the outlook reflects fairly faithfully the influences that are expected to operate in the national economy. Ontario not only has the greater part of the Canadian basic steel industry but also the most diversified milling capacity that exists in this country. The heavy demand for steel for domestic investment and consumer durables, coupled with the difficulty of procuring imports, puts severe pressure on an industry which has never been scaled or equipped to meet all the needs of the domestic market, even at low levels of activity. It is expected that operations in 1949 will be at capacity and output will slightly exceed the record level for 1948.

Markets for agricultural implements are assured by the high current incomes and the good financial position of the farming community both here and in the United States, where this industry has important export outlets, and also by the high priority given such equipment in the import programmes of E.R.P. countries. The expansion of employment and production in this industry in 1949 is expected to continue but at a slackening rate.

Only modest increases in output and employment in the automotive industry are expected in 1949. The industry is hampered on the one hand by



the shortage of steel and the restrictions placed on imports of components from the United States, and on the other by the progressive loss of its traditional markets in British Empire countries. Given the heavy backlog of demand for passenger cars and some backlog of demand for commercial vehicles, the domestic market in 1949 is expected to be able to absorb a larger share of an enhanced output.

The electrical apparatus industry, heavily concentrated in Ontario produces a variety of products, from generators to small electric motors in the capital goods field, in addition to many electrical appliances for household use. It has few export markets. The process of catching up with accumulated demand is well advanced in respect of some small items of equipment both for investment and consumer use; but there is a heavy programme ahead in providing equipment for new hydro electric stations and a continuing backlog of demand for the large consumer durables.

The other manufacturing industries, mainly of a consumer goods nature, face a variety of situations. In some of them, the rubber industry being an outstanding example, deferred needs having been met and domestic demand has stabilized at lower levels than in the immediate post-war period. Meanwhile, the dollar shortage leads to curtailed purchases by foreign buyers. On the other hand, the primary textile industry, particularly the cotton and artificial silk, continue to expand under the stimulus of a domestic market protected by restrictions on imports from the United States and by the scarcity and high prices of imports from the United Kingdom. The clothing and food processing industries will be fairly well sustained by the expected high level of domestic purchasing power. Indeed this circumstances enables many consumer goods industries to maintain output and employment despite the loss of some export markets.

Farm net income in Ontario in 1949 is expected to be approximately the same as in 1948. Prices and markets for meat are expected to be good. The market for dairy products is also expected to be firm and milk production about the same as in 1948. Other cash income crops, such as tobacco, fruits and vegetables, particularly important to South Western Ontario, do not appear to present any special problems.

Conclusion

The outlook for the region as a whole may perhaps be summed up in terms of the anticipated level of employment. It is to be expected that Ontario will keep its lead over the rest of Canada so far as the rise in employment is concerned. Unemployment is likely to be somewhat higher than in 1948,



particularly in the winter months. Mining would continue to expand employment considerably and manufacturing modestly, with some redistribution taking place among manufacturing industries. While local labour markets will differ somewhat in job opportunities, there is no reason to expect a considerable volume of unemployment in any locality. The hitherto prevailing tightness in the regional labour market will be eased.

THE PRAIRIE PROVINCES

The Structure of the Regional Economy

The Prairie Provinces are basically agricultural and the regional economy is dependent on a single industry to a far greater extent than in other areas with the exception of Prince Edward Island. As a result of this concentration on agriculture the level of Prairie prosperity in the past was dependent on two major factors: climatic conditions which govern production, and the adequacy of export markets for grains and livestock products. However, in recent years the influence of these factors has been perceptibly modified by long-term contracts, price support programmes and the system of retroactive payments on past crops.

A heavy movement of population out of the region to more industrialized areas, and particularly to British Columbia, began during the depression and continued through the war years. Recently there has been a sharp modification of this trend, with Alberta experiencing considerable gains from migration, Manitoba small gains, and Saskatchewan a much smaller loss.

During the war there was a considerable shift from wheat to more diversified types of farming, with special emphasis on feed grains, beef cattle, hogs and poultry. In the post-war period there has been a partial reversal of this trend even though output of some feed grains and specialty crops remains substantially higher. Meanwhile, increasing mechanization has made for larger farms, owner operation has become more general, and long-term indebtedness has sharply diminished as a result of a long series of fair to good crops and favourable prices.

The mineral resources of the Prairies are now making an increasing contribution to regional prosperity. Zinc and copper are extensively mined in the Flin Flon area and at Sherridon, and important new discoveries of nickel-copper ore are being developed at Lynn Lake. The San Antonio mines in Manitoba are important producers of gold and newly discovered fields at Snow Lake and Rice Lake are reported to have great potentialities. More than half the Canadian coal output is mined in Alberta and Saskatchewan, and Alberta also has extensive resources of petroleum and natural gas.

In recent years there has been a distinct trend in the direction of a

The first part of the paper discusses the importance of the study and the objectives of the research. It also mentions the scope of the study and the limitations of the study.

The second part of the paper discusses the methodology used in the study. It includes a description of the sample and the data collection methods.

The third part of the paper discusses the results of the study. It includes a description of the findings and the statistical analysis.

The fourth part of the paper discusses the conclusions of the study. It includes a summary of the findings and the implications of the study.

The fifth part of the paper discusses the limitations of the study. It includes a description of the weaknesses of the study and the areas for future research.

The sixth part of the paper discusses the references. It includes a list of the sources used in the study.

The seventh part of the paper discusses the appendices. It includes a list of the supplementary materials used in the study.

more balanced economy, and employment in secondary manufacturing industries increased by about 70 per cent since 1939. This has been particularly marked in Winnipeg which has been growing as an industrial centre with clothing, transportation equipment and food industries the heaviest users of manpower. Other Prairie cities have followed this trend although on a smaller scale. Their primary role, however, is to act as service and distributive centres for the surrounding rural community.

The Prairie Provinces in 1948

Whereas in 1948 agricultural net income in Canada was higher by 40 per cent than in the previous year, in the Prairies the year to year differential was higher by reason of retroactive payments on past crops. Although better than in 1947, the crop was a little short of the long-term average. Difficulty in marketing certain grains and oil seed crops became clearly apparent during the course of the year. The removal of the embargo on the export of cattle to the United States was an event of major significance to Prairie agriculture. The prosperity and confidence of the rural community is attested by slightly higher than average increase in retail sales and by heavy investment in farm machinery.

During the past year or more the oil developments in Alberta were so spectacular as to suggest that oil production may become one of the major industries of the West. By the end of 1948 output of crude oil was about double what it had been a year previous and Prairie refining capacity had been increased by about 40 per cent.

At the same time a record value of output was achieved by the region's metal mines. Manufacturing industries, except food-processing, registered substantial gains.

With current incomes high and new vistas of development opening up, surpluses of some of the less important farm products have had no visible adverse effects.

Regional Investment in 1949

Proposed expenditures by manufacturing industries are down from last year by about 7 per cent, although in petroleum and coke products and non-ferrous metals substantially higher expenditures are anticipated. Expenditures are to be slightly higher in transportation equipment, but a sharp decline is forecast in food processing. Expenditures by primary industries and by utilities are also expected to recede slightly from last year's level, a sharp decline in spending by electric railways more than offsetting planned increases by central electric stations and telephones. Investment in housing is

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be carefully documented to ensure the integrity of the financial data. This includes recording dates, amounts, and the nature of the transactions.

Furthermore, the document outlines the procedures for reconciling accounts and identifying discrepancies. It states that regular reconciliations are essential to detect errors or fraud early on. Any discrepancies found should be investigated immediately and resolved to prevent further issues.

The second part of the document provides a detailed overview of the company's financial performance over the past year. It includes a summary of revenue, expenses, and net income, along with a breakdown by department. The data shows a steady increase in revenue, which is attributed to the successful launch of new products and the expansion of the market.

However, the document also highlights areas where expenses have increased, particularly in the marketing and research & development departments. While these investments are necessary for long-term growth, it is noted that they have put pressure on the company's profit margins. Management is committed to finding ways to optimize these costs without compromising the quality of the products or the effectiveness of the marketing efforts.

In conclusion, the document provides a comprehensive look at the company's financial health and offers insights into the challenges and opportunities ahead. It serves as a valuable tool for management to make informed decisions and for stakeholders to understand the company's financial position.

expected to be somewhat higher in total, with a bigger housing programme in Alberta, not much change in Manitoba and smaller programme in Saskatchewan.

There are also some significant provincial differences in the estimated expenditures of provincial and municipal authorities, even though these are to be higher in aggregate. The bulk of the increase is to be in the province of Alberta, particularly at the municipal level.

The Outlook by Industries

A discussion of the outlook in agriculture necessarily assumes average crops in Canada and in other major food-producing areas. It is nevertheless worth noting that moisture reserves on the Prairies are estimated to be only 64 per cent of normal and better than average rains during the growing season will be necessary to ensure a good crop. A grasshopper plague threatens Manitoba and to a lesser extent the other provinces and drought would aggravate this situation. At present there are prospects of good crops in other main food-producing countries.

of which 92 per cent was produced on the Prairies,
The 1948 wheat crop, estimated at 393 million bushels/ was 17 per cent above that of the previous year so that supplies available for export during 1948-49 are substantially higher. About 240 million bushels remain after domestic requirements are provided for, and of this the United Kingdom contract for the crop year 1948-49 covers 140 million bushels, leaving about 100 million bushels for selling on a free market. Large sales are already arranged to India, South America and Switzerland, at prices above the U.K. contract prices. Although there is growing uncertainty about the availability of E.C.A. funds for financing purchases of Canadian wheat, it is not expected that there will be any appreciable carryover from the 1948 crop.

The recently negotiated contract with the United Kingdom for the crop year 1949-50 provides for sales of 140 million bushels at the same price as in the previous crop year. An increase in wheat acreage appears inevitable in 1949, certainly at the expense of the less profitable flax and rye and possibly at the expense of the less drought resistant coarse grains if there should be dry weather in the seeding season.

In 1948 the Prairie crops of oats and barley were well above the low levels of the previous year. The surplus above regional requirements is being successfully marketed in Central Canada and in sharply increased quantities in the United States. Prices are expected to remain above Canadian support levels for some time to come.

In 1948 the Canadian rye crop, the bulk of which is produced on the Prairies, was the second largest in history. Increased supply coupled with

The first part of the paper discusses the importance of the study of the history of the United States. It is argued that a knowledge of the past is essential for a full understanding of the present. The author then proceeds to discuss the various factors which have shaped the development of the United States, including the influence of the British, the Spanish, and the French.

The second part of the paper discusses the role of the individual in the development of the United States. It is argued that the actions of individuals have played a significant role in shaping the course of the nation's history. The author then discusses the lives of several key figures in American history, including George Washington, Thomas Jefferson, and Abraham Lincoln.

The third part of the paper discusses the role of the government in the development of the United States. It is argued that the government has played a significant role in shaping the course of the nation's history. The author then discusses the various powers of the government, including the executive, legislative, and judicial branches.

The fourth part of the paper discusses the role of the economy in the development of the United States. It is argued that the economy has played a significant role in shaping the course of the nation's history. The author then discusses the various factors which have influenced the development of the United States economy, including the influence of the British, the Spanish, and the French.

The fifth part of the paper discusses the role of the culture in the development of the United States. It is argued that the culture has played a significant role in shaping the course of the nation's history. The author then discusses the various factors which have influenced the development of the United States culture, including the influence of the British, the Spanish, and the French.

The sixth part of the paper discusses the role of the future in the development of the United States. It is argued that the future has played a significant role in shaping the course of the nation's history. The author then discusses the various factors which have influenced the development of the United States future, including the influence of the British, the Spanish, and the French.

The seventh part of the paper discusses the role of the present in the development of the United States. It is argued that the present has played a significant role in shaping the course of the nation's history. The author then discusses the various factors which have influenced the development of the United States present, including the influence of the British, the Spanish, and the French.

the falling away of abnormal export demand caused a sharp drop in prices in the latter part of the year. With no assured market and unattractive prices, falling plantings were 30 per cent less than in 1947 and a similar reduction in spring rye may be expected.

The prospects for oil seeds are also unfavourable. With a carryover from the 1947 flaxseed crop and a record crop in 1948 there is a still larger carryover into 1949. Although the price is supported, the outlook is not good and a decline in acreage can be expected in 1949. Prices for rapeseed have dropped sharply and it is likely that there will be some decline in acreage in 1949. On the other hand there is still an expanding domestic market for sunflower seed oil.

The prospects for livestock prices are good, but marketings in 1949 cannot be sustained at the high rate of the previous year. Most of the Canadian beef entering the United States comes from the Prairies which stand to benefit more than any other region from the removal of the embargo on exports to the United States. The United Kingdom contract for bacon provides for smaller quantities but the same price as in 1948 and domestic consumption is expected to be high. As in other regions, it is to be expected that animal numbers will be built up during the course of the year.

Given average crops, the varying market prospects outlined above, and most importantly the anticipated larger payments on wheat participation certificates, agricultural net income in 1949 is expected to be appreciably higher than in 1948.

The pace of development in the oil industry is so rapid that it is difficult to predict the proportions it will attain in 1949. Recently rates of output were approaching regional demand and there is little doubt that by the end of 1949 the Prairies will be independent of crude oil imports. Refinery capacity is being greatly expanded. At Edmonton a refinery which went into production in 1948 expects to raise its capacity from 6,000 to 11,000 barrels a day and at Lloydminster new units are being added which will more than double present capacity. A decline in Canadian imports of the finished product is expected as a result. Recent announcements indicate that construction on at least three additional refineries will commence this spring, although these are not expected to affect the 1949 output. A pipeline connecting the Leduc-Redwater area with refineries at Regina and Moose Jaw is planned to be under construction in 1949.

New producers and expanded milling capacity are expected to boost the value of mineral production above the record level of 1948. This further

The first part of the paper discusses the importance of maintaining accurate records of all transactions. It is essential for the business to have a clear and concise record of all income and expenses. This will help in the preparation of the annual financial statements and will also be useful for tax purposes. The second part of the paper discusses the importance of maintaining accurate records of all assets and liabilities. This will help in the preparation of the balance sheet and will also be useful for tax purposes. The third part of the paper discusses the importance of maintaining accurate records of all equity transactions. This will help in the preparation of the statement of equity and will also be useful for tax purposes. The fourth part of the paper discusses the importance of maintaining accurate records of all debt transactions. This will help in the preparation of the statement of debt and will also be useful for tax purposes. The fifth part of the paper discusses the importance of maintaining accurate records of all other transactions. This will help in the preparation of the statement of other transactions and will also be useful for tax purposes.

strengthens the demand for labour in mining and related processing industries. Output of coal is expected to be higher than in 1948 when production was interrupted by strikes.

Diverse trends are expected in manufacturing industries. Expansion is anticipated in iron and steel groups, clothing, paper products and fuel and power. These gains will be largely offset by a decline in food processing, due to curtailed livestock marketings and restricted activity in flour mills.

Conclusion

In a predominantly agricultural community prospective employment and unemployment are not satisfactory measures of economic well-being. In the outlook for the Prairie region it is more important to emphasize that agricultural income is buttressed by contracts covering the major part of farm output as well as by support prices and retroactive payments on past crops. Meanwhile the new developments in oil and the great strength in metal markets provide special stimulants to regional activity. Although the outlook is favourable in all three provinces, Alberta may be expected to keep its lead on the other two.

BRITISH COLUMBIA

The Structure of the Regional Economy

In 1931 British Columbia was sixth in size of population but its rapid rate of growth, accelerated in war-time and continuing into the post-war period, has raised it to third place after Ontario and Quebec among the provinces in population, overall production and manufacturing. Over half the population is concentrated in the lower Fraser Valley and most of that in the retail trading area of Vancouver, Canada's third largest city and second seaport. Almost one-fifth of the population live in South-Eastern Vancouver island in the vicinity of Victoria. Other major pockets of development are the agricultural Okanagan and the mineral rich Kootenay valleys.

The strategic economic factors in British Columbia are the vast forests, on which are based the lumber and pulp and paper industries; the fertile valleys which produce a large fruit surplus; the Pacific salmon, which is the largest and most prized of the fisheries catch; and the mineral deposits of the Rockies, which provide zinc, lead, copper and precious metals for the province's refineries. The economy of the province is thus based largely on a few very rich natural resources and the main products - lumber, pulp and paper, salmon, base metals, and apples - usually depend on foreign markets for 75 to 90 per cent of their sales.



British Columbia in 1948

In 1948, as in previous post-war years, employment continued to rise more than the Canadian average but unemployment also remained high largely because of the influx of workers from the Prairies and elsewhere. In keeping with the growth of the regional economy, private investment expenditures were about 10 per cent and completed urban housing units almost 20 per cent of the national totals, whereas British Columbia has only 8 per cent of the population.

During the past two years many of the regions most important foreign markets were restricted or cut off, creating some major uncertainties for apples and fish which had little impact on income or employment at the time. Recently markets and prices for low-grade lumber and some wood products have deteriorated, and an appreciable number of workers have lost employment in sawmills and shingle mills. The spring floods caused considerable damage to crops in the Fraser and Kootenay Valleys and probably account for the decline in income from tourists below its 1947 peak. Activity in the shipyards fell off and shipping was adversely affected by the loss of some foreign markets. However, on the whole the lumber industry was very active, pulp and paper and base metals were expanding their operations, the construction industry was working at capacity, and service industries generally were more than keeping pace with the advance in regional activity.

Regional Investment in 1949

The pattern of investment intentions in British Columbia differs significantly from that of other regions. In manufacturing industries proposed expenditures are substantially higher, as a result of the sharp increase planned for construction of new pulp and paper mills. Increased expenditures are planned in non-ferrous metals, chemicals, in the regionally unimportant non-metallic minerals and clothing industries, while the programme is still heavy in wood products and about doubled in paper products. In primary industries investment is to be on a considerably smaller scale and the increase in utilities is insignificant. House-building activity is expected to be somewhat lower. In the regional investment programme the emphasis remains on the expansion and modernization of its basic industries and there is little evidence of a shift toward service industries such as is clearly apparent in the two older industrial regions.

Since provincial and municipal expenditures are also estimated to be higher, particularly the latter, the volume of investment will be at least as high as last year.



The Outlook by Industries

The outlook for the forest industries in 1949 is somewhat less favourable than in the last few years. The lumber industry, which is three times as important as pulp and paper, will probably reduce its operations moderately. The United Kingdom's contracts extend only to the middle of the year and there may be some difficulty in financing new contracts. This market is becoming more selective as to quality, a similar development has taken place in the American market, and markets in some Commonwealth countries have been cut off by import restrictions. Surpluses of lower grade lumber are piling up in the local yards which it is believed will be largely absorbed by the domestic market during the course of the year but at reduced prices. American demand for dressed and higher grade undressed lumber remains strong. There is some deterioration in the prospects for foreign sales of such wood products as shingles, veneers and plywood. Sash and door mills, however, are working at capacity and some increases in production and employment are expected in 1949. Some of the smaller and less efficient sawmills are closing down and larger ones are reducing their scale of operations. This will be reflected in some decline in logging for sawmills.

With American demand still strong pulp and paper mills should continue to operate at capacity. A heavy investment programme is still under way in this industry, one new mill at Port Alberni having been completed in 1948, with three more scheduled for completion in 1950. Employment in the mills is therefore expected to increase slowly; in contrast to other regions, some increase in pulpwood logging is expected in 1949.

Agricultural net income may be slightly lower in 1949, largely because of the lack of adequate markets for apples, the reduction of the United Kingdom contract for poultry products, and the increasing difficulty of selling preserved raspberries, of which there is a large carryover of unsold stocks. The apple industry successfully marketed its crop in 1948 when crops elsewhere were poor, but will face a serious marketing problem in 1949 if an average apple crop is harvested on this continent. The outlook for other tree fruits is good. Some increases in vegetable and livestock production may be expected and perhaps a further increase in milk production.

The outlook for base metals, which form 70 per cent by value of British Columbia's mineral output, is increasingly favourable. Prospective increases in output (together with better prices) assures a higher income in 1949 than the record levels of the preceding year and a continuing increase in employment. Gold production should be up about 10 to 15 per cent. An

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increase in employment is not unlikely, despite the fact that several marginal mines have been forced to close down because of rising production costs.

The world shortage of hard currency is being seriously felt by the Pacific coast fisheries. Salmon, which constitutes 75 per cent of production, has lost its markets in the Commonwealth and other traditional selling areas. The fresh fish finds such a ready market in the United States that an export embargo was imposed in 1948 to ensure supplies to the Canadian canneries. The canned fish is excluded by tariff barriers. In view of the cycle it is expected that the 1949 catch will be large. There is little prospect of the canning industry being able to sell a large pack at the present high and rigid price. Other fish, such as halibut and tuna, are expected to enjoy good markets and generally favourable prices; the market for fish reduction products appears relatively stable. Fishermen's income is therefore expected to be maintained even though there are major uncertainties with respect to the canning industry.

Prospects vary in the manufacturing industries not directly related to the region's resources. Shipbuilding, the leading war-time industry, continues to show a decline in employment as post-war contracts are completed. Several yards are cutting their staffs down to repair and maintenance levels and some are closing altogether. On the other hand, other iron and steel works are expected to maintain the present level of activity. Secondary industries such as oil refining, meat packing, sugar refining, textiles and furniture are not expected to show much change.

The year 1949 should see a sizeable increase in the number of tourists and tourist services should prosper accordingly. Retail sales are expected to rise, making for a continuing increase of employment in trade. Declining prospects in many foreign markets are having adverse effects on shipping from Vancouver and other coastal points, but this is partially offset by rising imports.

Conclusion

The slowing down of expansion and the actual decline in some industries is bound to lead to higher unemployment than in past years, particularly since the influx of workers is not likely to be arrested immediately, although it has already slowed down. Unemployment is likely to be most evident in the greater Vancouver area which tends to reflect the employment situation in the whole province. The decline in shipbuilding and to a lesser extent in shipping will add to unemployment in Vancouver and Victoria. Any decline in fish canning and lumber mills will affect the whole coastal area. Although



expansionary forces are still present in the regional economy, the virtual exclusion of some of British Columbia's major staple exports from their traditional markets in the sterling area has created a difficult problem of developing new or enlarged outlets elsewhere, which are not likely to be successfully resolved in the coming year. Thus, during 1949 at least, unemployment levels will be higher than in previous years and higher than in any of the other regions except the Maritimes. The process of growth and change inevitably means higher unemployment than in regions where these forces are not present in the same degree.



TABLE IX
PERCENTAGE DISTRIBUTION OF THE EMPLOYED LABOUR FORCE FOR CANADA AND THE PROVINCES, 1948(1)

INDUSTRY	Canada	Maritime Provinces	P.E.I.	Nova Scotia	New Brunswick	Quebec	Ontario	Prairie Provinces	Manitoba	Saskat- chewan	Alberta	British Columbia
ALL INDUSTRIES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture	23.0	21.5	59.3	13.4	22.4	18.8	16.7	47.7	37.6	58.9	46.1	8.0
Fishing, hunting & trapping(2)	1.1	5.6	5.9	7.1	3.8	0.5	0.3	0.8	1.0	0.6	0.8	2.8
Forestry & logging (3)	4.7	8.4	1.0	5.6	13.5	6.4	3.0	0.8	0.7	0.6	1.0	11.2
Mining (4)	2.2	4.0	-	7.4	1.0	1.6	2.0	2.1	1.2	0.5	4.4	3.9
Manufacturing	20.9	8.9	2.1	10.4	8.7	25.2	29.9	7.3	12.6	3.3	6.4	12.0
Vegetable products	3.1	1.6	0.8	1.5	1.8	3.2	4.4	1.4	1.7	0.9	1.5	2.5
Animal products	1.9	0.5	0.5	0.3	0.7	2.3	2.1	1.9	2.6	1.2	1.8	1.0
Textile products	3.7	1.1	#	1.1	1.3	7.4	3.8	0.6	1.6	0.1	0.3	0.5
Wood and paper products	2.8	1.5	#	1.5	2.0	2.5	3.9	1.2	1.8	0.6	1.1	3.7
Iron and its products	5.9	3.5	0.5	5.1	2.3	6.2	9.3	1.6	3.6	0.2	1.0	2.6
Non-ferrous metal products	1.6	0.2	-	0.1	0.2	1.6	3.1	0.1	0.5	-	-	0.4
Non-metallic mineral products	0.8	0.3	#	0.5	0.1	0.6	1.5	0.3	0.3	0.2	0.5	0.4
Chemical products	0.7	0.1	#	0.2	0.1	0.9	1.0	0.1	0.2	#	0.1	0.6
Miscellaneous products	0.5	0.1	-	0.1	0.2	0.5	0.8	0.1	0.3	#	0.1	0.3
Electricity, gas & water production and supply	0.7	0.7	0.3	0.8	0.5	0.7	1.0	0.4	0.5	0.4	0.5	0.7
Construction	5.8	6.6	3.4	7.3	6.5	6.5	5.6	4.0	4.6	3.1	4.3	7.7
Transportation & communication	7.6	8.3	3.6	8.0	9.7	8.1	6.2	7.6	9.1	6.1	7.6	11.2
Trade	13.1	13.2	8.2	15.9	11.3	12.6	13.5	11.6	13.3	10.1	11.5	16.7
Retail	10.1	10.7	6.9	12.4	9.7	9.8	10.6	8.8	9.7	8.1	8.7	11.8
Wholesale	3.0	2.4	1.3	3.5	1.5	2.8	2.9	2.8	3.6	2.0	2.8	4.9
Finance and insurance	2.6	1.4	0.7	1.6	1.4	2.5	3.0	2.1	2.7	1.6	2.0	3.3
Services	18.3	21.4	15.5	22.5	21.2	17.1	18.8	15.6	16.7	14.8	15.4	22.5

(1) Source: Estimates of Employed Labour Force in non-manufacturing industries are based on the Estimates of Employment of the Sampling Unit of The Dominion Bureau of Statistics and those in manufacturing of The Census of Industry for 1946 projected on the basis of the indices of employment of the Employment Statistics Branch of the D.B.S.

(2) Includes employment in fish curing and packing.

(3) Includes employment in sawmilling and the pulp and paper industry.

(4) Includes employment in non-ferrous smelting and refining.

Gairfully employed less than 100.

